

Hull and East Yorkshire LEP Board

Investment Programmes

Report to the Board on 19th January 2022

Report from Karen Oliver Spry

Paper F – Investment Programmes

1. Summary

1.1. This report updates the Board in relation to the legacy Capital programmes, Getting Building Fund and Local Growth Fund.

2. Recommendations

2.1. That the Board notes the latest progress report.

3. Getting Building Fund

3.1. This report updates the Board on delivery progress following the last complete quarterly claim period to end of September 2021 (Q2) – Q3 claims are currently being received and processed. A summary of the programme can be found at Annex 1, with the progress dashboards for spend and output delivery are at Annex 2.

3.2. Projects continue to progress and output delivery progress being made in achieving jobs and completed road/cycleway. As noted in previous papers, delivery of outputs such as houses will be achieved over a period of several years following investment and limited progress will be seen over coming months.

3.1. Four of the seven projects have claimed all their GBF allocations in full, with slippage/reprofiling addressed through use of the accountable body's capital switching freedoms and flexibilities. Just one project has experienced significant slippage (HEY Cycle Route Delivery) but no projects have flagged any serious cause for concern. Further details are 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. Risk Management

Project	Delivery Risk	Actions
Hull & East Yorkshire Cycle Route Delivery Programme	Slippage to works on Beverley Road will now take 18 months due to an overwhelming demand for "permits" to work on the	GBF remains profiled to be delivered in this financial year (backloaded to Qtrs 3-4) but match spend will now

	public highway and also the demolition of the Brunswick Arcade which directly fronts onto Beverley Road within the vicinity of the cycle lane works.	be achieved in the next financial year. Programme delivery team to monitor
Delivering Housing Growth (3)	Delays caused due to issues with land transfer to Northern Powergrid for the substation. It is understood that work will slow due to having to work around the utilities but that solutions have been agreed. Section 278 works to change the location of the access road opening could slip into next financial year depending on subcontractor availability.	Project team still believes that completion by the 31/03/2022 is achievable following start in November, although spend is now backloaded to Qtrs 3-4. Programme delivery team to monitor
Managed Workspace Programme B – Bespoke and Boulevard	Delivery slippage due to discovery of Japanese Knotweed on site – this is currently expected to lead to delays of just 2-3 weeks.	A revised programme of works has been received which now profiles completion in mid-April 2022. Programme delivery team to monitor
Growing Hull and East Yorkshire	Delays in committing final funding / businesses drawing down grant awards due to supply chain issues.	Programme delivery team to monitor

5. Local Growth Fund – Transition of South Bank Projects

5.1. In December, a number of projects were successfully transferred to Greater Lincolnshire LEP for ongoing monitoring of output delivery to 2025 when BEIS will no longer require LEPs to provide monitoring updates (we understand that

GLLEP do not intend to monitor beyond this point). It should be noted however, that output delivery for a number of schemes will extend beyond this timeframe.

- 5.2. One project (Grimsby Institute Constructing Future Growth) has not yet been transferred pending the resolution of some discrepancies identified in their most recent audit report. We expect these to be remedied with the Q3 claim.
- 5.3. Another project (Central Cleethorpes Regeneration Programme) is not yet physically/financially (match) complete and will remain with HEY LEP until it is so. At the current time the outcome of a recent Master Planning exercise is awaited to determine further actions and timescales for outstanding delivery. The project team have been requested to provide a detailed update and delivery profile with their Q3 claim.

6. Local Growth Fund – Outstanding Delivery

- 6.1. There is just one project with outstanding LGF spend remaining from the LGF programme. Humber High Street Challenge Fund has remaining spend of around £400k due to delays with the processing of grant payments. The payments are expected to be made by the end of January 2022 and will therefore be reflected in Q4 reporting.

7. Delivery Costs

- 7.1. There is no call on the HEY LEP's core budget to support delivery of the Investment programmes to 31st March 2022 when the existing GBF programme ends. However, there will be ongoing programme monitoring requirements to at least 2025.
- 7.2. There is currently no identified budget assigned to undertake this ongoing programme monitoring. The resourcing of this function has been linked to the review of the Growing Places Fund and the recommendations associated with Paper B.

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.	£1.7m
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

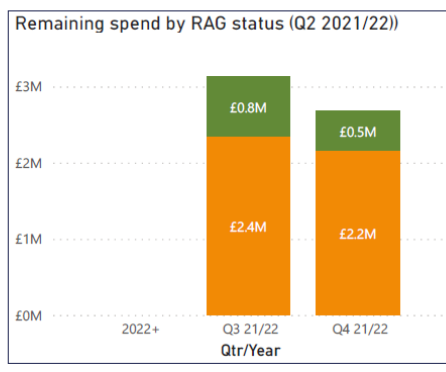
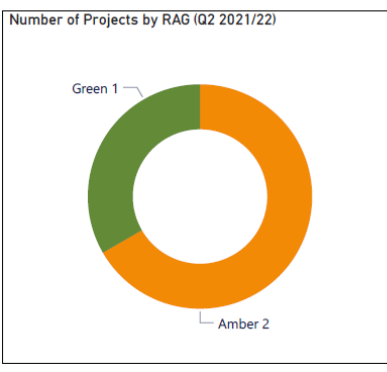
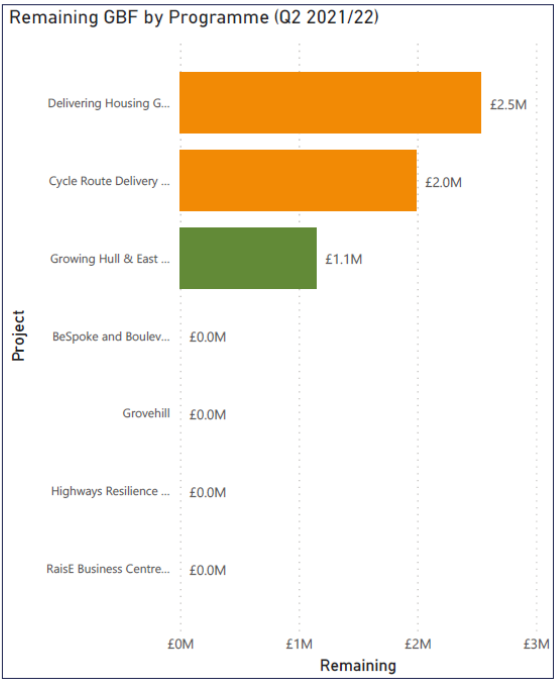
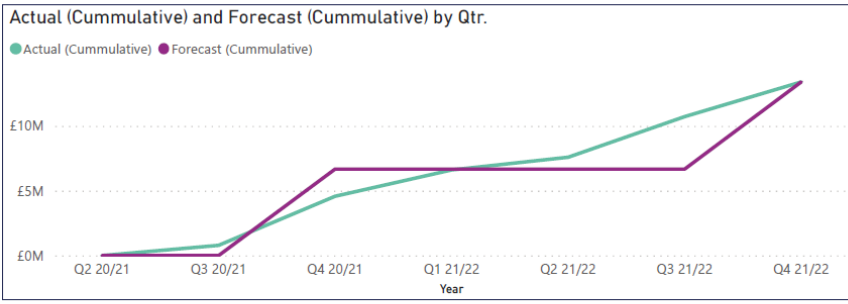
Programme Management	Resource to ensure the robust management and administration of the programme. The programme is managed and monitored by the LEP's experienced Investment Programme Team, with support from officers of the Accountable Body	£0.2m
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Annex 2 – Q2 spend and output dashboards (to 30th September 2021)

Getting Building Fund (GBF) spend status overview - to end Q2 2021/22

October 2021

Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
£13.40M	£7.59M	£5.81M	£0	7	4	3	0



Getting Building Fund (GBF) Outputs (Q2 2021/22)

October 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)
£8.38M	91.00	151.60	41.00	0	3.61K	8.35	0.00

