

Hull and East Yorkshire LEP Board

Investment Programmes
Report to the Board, May 2022
Report from Kirsty Barr
Paper H – Investment Programmes

1. Summary

1.1. This report updates the Board in relation to the legacy Capital programmes, Getting Building Fund, Local Growth Fund and the Growing Places 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 March 2022 (Q4) – Q1 2022/23 claims are due to be received and processed from 15th July 2022. 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. Five 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 public highway and also the demolition of the Brunswick Arcade which directly fronts onto Beverley Road within the vicinity of the cycle lane works.	GBF has been claimed in full, with the remaining works being funded by HCC in E/Y 22/23. Programme delivery team to monitor

Managed Workspace Programme B – Bespoke and Boulevard	Delivery slippage due to delay in installing the electrics. The rest of the development works are now complete.	A revised programme of works has been received which now profiles completion in May 2022. Programme delivery team to monitor
Growing Hull and East Yorkshire	Delays in businesses drawing down grant awards due to supply chain issues. Two companies have remaining monies left to draw down. This is expected by 30 th June 2022.	Hull CC have agreed to use their Freedoms and Flexibilities to enable full GBF spend by 31st March 2022. 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. It was previously reported that 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. These have been remedied in the Qtr.3 claim and we expect the project to transfer across to GL LEP for ongoing monitoring following a formal project variation at the end of Qtr.4 2021/22.
- 5.3. Grimsby Town Centre – ‘Unlocking the Potential’, will also be transferred to GL LEP for ongoing monitoring of outputs and public sector leverage following a formal project variation at the end of Qtr.4 2021/22.
- 5.4. The 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 has highlighted the site as a key development area but they are yet to determine further actions and timescales for outstanding delivery. The investment programme team have been issued with a revised timeframe which indicates that for work to be completed within the current planning permissions, work on the pavilion, upon which the outputs are dependent, must start by September 2022.

6. Local Growth Fund – Outstanding Delivery

- 6.1. The remaining balance of LGF Funds that utilised the Accountable Bodies Freedoms and Flexibilities in 2020/21 have now been defrayed. No further LGF expenditure is expected.
- 6.2. The investment programme team at the HEY LEP continues to monitor progress relating to both Match expenditure and Output Delivery.
- 6.3. Outstanding output delivery in relation to roads and cycleways are linked primarily to the Stoneferry Road and Priory Park schemes.
 - 6.3.1. Stoneferry has experienced several delays over the course of the project and the scheme had to be redesigned to incorporate additional elements. BREXIT and COVID have also impacted upon the timeframes for delivery which has seen several pauses in the works over its duration. The scheme is now due to complete July 2022.
 - 6.3.2. Priory Park was initially delayed due to BREXIT and the contractor being instructed to step down to keep route to the port clear. Following this there has been issues with conditions of land and more recently delays in getting the land access agreement signed to start on site. However, these issues have now been resolved, the project is on site and reporting no further issues. The scheme is expected to complete May 2023.
- 6.4. A significant number of outputs will be delivered after 2025 - primarily skills qualifications, jobs and houses and Commercial Floorspace. The sum of total outputs expected to be delivered by projects in the HEY LEP region beyond 2025 are as follows:
 - Houses (733)
 - Jobs/Safeguarded Jobs (495)
 - Apprenticeships (135)
 - New Learners Assisted (853)
 - Commercial Floorspace Created (12,243m²)
 - Commercial Floorspace Refurbished (1,800m²)

7. Growing Places Fund

- 7.1. The HEY LEP Board at its meeting on 19th January 2022 agreed to commit £3.25m from the HEY LEP's Growing Places Fund to create a new 3-year business support programme
- 7.2. £0.45m from this allocation is ring-fenced to cover programme management and administration, including the retention of the existing Investment Programmes Co-ordinator and Investment Programmes Officer roles.
- 7.3. The accountable body is able to use this fund to exercise established freedoms and flexibilities to manage any underspend arising in the current Growing Hull and East Yorkshire programme, along with any outstanding management and administration

allocation from LGF and GBF programmes, ensuring that agreed outputs/outcomes on LGF/GBF programmes are delivered too.

7.4. The programme builds on the previous success and legacy of the Humber LEP's Growing the Humber Programme and the HEY LEP's Growing Hull and East Yorkshire business investment grant programme, with funding decisions delegated to the HEY LEP's Investment Panel, Chaired by David Kilburn.

7.5. Full membership of the Investment Panel, along with a record of approved grants can be found here - heylep.com/investment-panel/

8. Growing Places Fund – Delivery Report

8.1. The Growing Places Fund officially launched on April 1st 2022.

8.2. To date the programme has received 18 Expressions of interest (as of 11/05/2022).

8.3. 80% of applications are from New Businesses that have not received previous funding from the HEY LEP/Humber LEP.

8.4. Expressions of interest are being received from a variety of sectors including; Agriculture & Horticulture, Manufacturing, Construction, Energy, Wholesale and Retail and Human Health.

8.5. There is a 50/50 split between applications received from Hull and the East Riding of Yorkshire.

8.6. We currently have 18 live applications with the first application having been received (11/05/2022)

8.7. Total potential value of grants based on the expressions of interests received to date total £850k.

9. Delivery Costs

9.1. There is no call on the HEY LEP's core budget to support delivery of the Investment programmes at the current time. However, there will be ongoing programme monitoring requirements to at least 2025.

9.2. The Investment Programmes team is currently funded to 31st March 2022 when the existing GBF programme ends.

9.3. The HEY LEP Board at its meeting on 19th January agreed that any underspend on the GBF Programme Management budget will be transferred to support the Growing Places Grant/Loan Programme, which will also support the ongoing monitoring requirements of the LGF and GBF programmes.

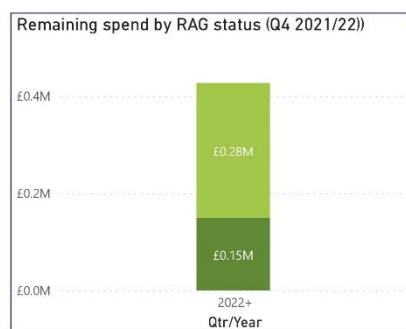
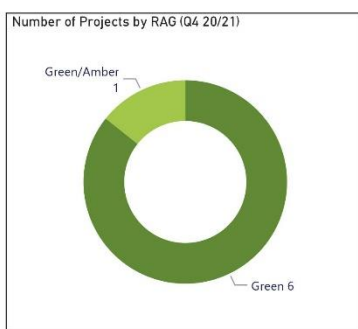
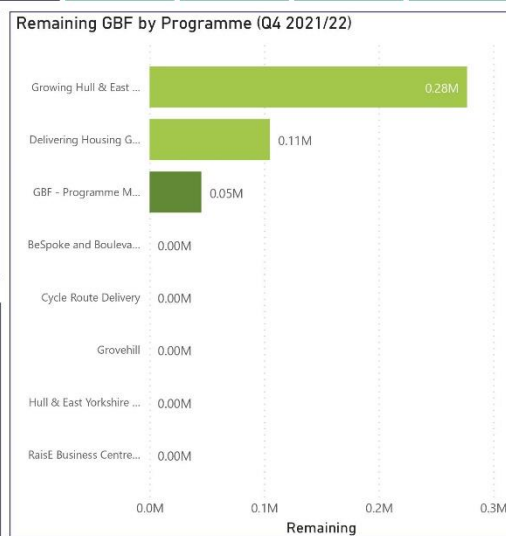
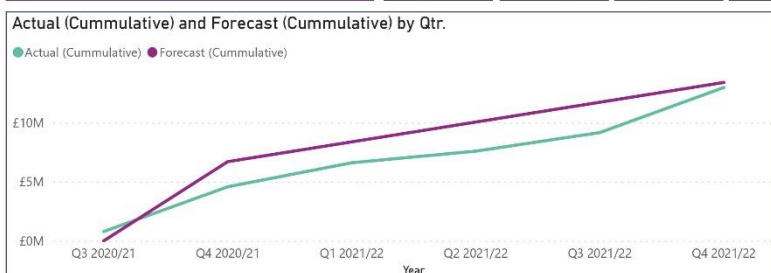
Annex 1 – GBF Programme Summary



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

Annex 2 – Q3 spend and output dashboards (to 31st March 2022)

Getting Building Fund (GBF) spend status overview - to end Q4 2021/22 April 2022	Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
	£13.40M	£12.97M	£427.35K	£0	7	6	1	0



NOTE: The HEY LEP Board at its meeting on 19th January agreed that any underspend on the GBF Programme Management budget will be transferred to support the Growing Places Grant/Loan Programme, which will also support the ongoing monitoring requirements of the LGF and GBF programmes.

Getting Building Fund (GBF) Outputs (Q4 2021/22)
April 2022

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)
£18.61M	176.00	166.00	51.00	0	16.25K	19.35	0.00

