

Hull and East Yorkshire LEP

Paper D – Investment Programmes Update

Report to the Business Support Board, March 2022

Report from Kirsty Barr – Investment Programme Co-ordinator

1. Summary

- 1.1. This report provides an overview of the business support projects within the LEP's Getting Building Fund programme and summarises delivery progress of the Getting Building Fund to 31st December 2021 (last complete reporting period).
- 1.2. This report also provides a delivery update on the LEP administered Growing Hull and East Yorkshire (GHEY) business grants programme on behalf of the Investment Panel and an update on the Growing Places Fund.

2. Recommendations

- 2.1. That the Board notes the latest progress report.

3. Context

- 3.1. Responsibility for programme delivery of the Getting Building Fund, including management and output monitoring, transferred to the HEY LEP from the Humber LEP on 1st April 2021.
- 3.2. The Business Support Board is required to review and scrutinise programme delivery in relation to business support, making recommendations to the LEP Board based on officer advice, taking delegated decisions and providing recommendations on interventions to address programme performance issues.

Getting Building Fund

4. Background

- 4.1. 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 acceptance of the proposed programme with a total allocation of **£13.4m** for delivery by **31 March 2022**.
- 4.2. The full programme comprises four business support schemes and three infrastructure schemes, along with a ringfenced allocation for programme management and administration that supports the Investment Programmes team, appropriate accountable body costs and due diligence. The projects of interest to the Business Support Board are:

Project	Summary	Allocation	Key Outputs
Growing Hull and East Yorkshire	The scheme offers capital grants of £5k - £250k to stimulate growth in SME businesses.	£1.7m*	£5.1m private sector match 108 jobs 1,114 m ² commercial floorspace developed 27 businesses supported
RaisE Business centre and Innovation Hub	RaisE Business Centre and Innovation Hub 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	£7.1m public/ private match 173 jobs 3,200 m ² commercial floorspace developed
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	£4.3m match 70 jobs 1,500 m ² commercial floorspace developed 30 businesses receiving support
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	£0.95m match 46 jobs 2,149 new/refurbished commercial floorspace

*Originally allocated £1.5m, the LEP Board agreed on 30th September 2021 a request to move £200k underspend from the M&A allocation to this programme with a proportional increase in outputs.

5. Delivery report

- 5.1. This delivery report reflects the situation at the last complete quarterly claim period to end of December 2021 (Q3). Progress dashboards for BSB projects that reflect both spend and output delivery are included at Annex 1.
- 5.2. Progress has continued at an accelerated rate across all projects. At the end of the Qtr.3 period all projects had submitted claims with progress being made in achieving jobs, assisting businesses, and creating commercial floorspace. Three projects (RaisE, Grovehill and the Bespoke and Boulevard Business Centres) had claimed their GBF spend in full.
- 5.3. Although projects experienced some slippage from their original business case position, the accountable body has been able to address slippage/reprofiling through use of capital switching freedoms and flexibilities.

6. Risk Management

Project	Delivery Risk	Actions
Managed Workspace Programme B – Bespoke and Boulevard	Delivery slippage due to discovery of Japanese Knotweed and Asbestos on site – this is currently expected to lead to delays of just 2-3 weeks. Project is now expected to complete 15 th 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.	Hull CC have agreed to use their Freedoms and Flexibilities to enable full GBF spend by 31st March 2022. Programme delivery team to monitor

Growing Hull and East Yorkshire Business Investment Grants

7. Background

- 7.1. Business grant scheme, delivered as part of the Getting Building Fund programme and administered directly by the HEY LEP. In line with the timescales of the Getting Building Fund programme, delivery runs to 31st March 2022.
- 7.2. The programme builds on the previous success and legacy of the Humber LEP's Growing the Humber business investment grant programme, with funding decisions delegated to the HEY LEP's Investment Panel, Chaired by David Kilburn.
- 7.3. Full membership of the Investment Panel, along with a record of approved grants can be found here - heylep.com/investment-panel/

8. Delivery report

- 8.1. To date the programme has committed £1.68m of the available £1.7m.
- 8.2. The programme team is working closely with grant recipients to draw down their committed funds by the 31st March 2022. However, the programme timescales are becoming challenging for some businesses dealing with supply chain and other business issues.
- 8.3. Programme dashboards for spend and output delivery are provided at Annex 2. To 18th February businesses had claimed just over £1.19m allocated funds. It is expected that defrayal will lag behind commitment within a grant scheme as the grants are paid in arrears against evidenced spend. The programme team continues to monitor projects and encourage timely submission of claims.
- 8.4. The programme is making good progress with achieving outputs and has now over achieved on all contracted outputs (Job Creation, Commercial Floorspace and Businesses Assisted.)

Growing Places Fund Business Support Programme

9. Background

- 9.1 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
- 9.2 £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.
- 9.3 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.

9.4 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.

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

10. **Delivery Report**

10.1 The new programme guidance has been approved by Hull City Council as the Accountable Body for the scheme.

10.2 The Growing Places Fund is set to launch on April 1st, 2022, with Expressions of interest currently being taken.

11. **Financial Implications for Investment Programmes**

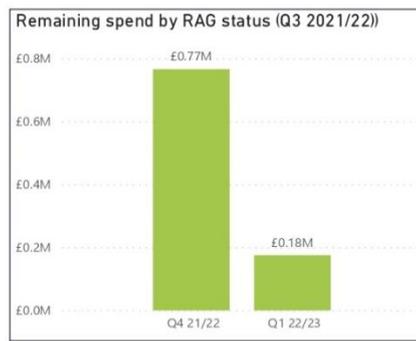
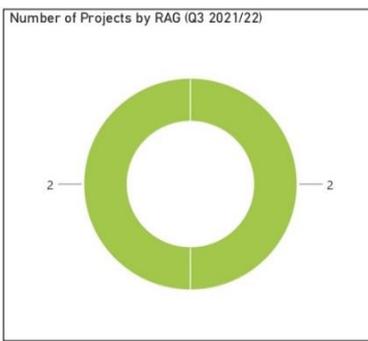
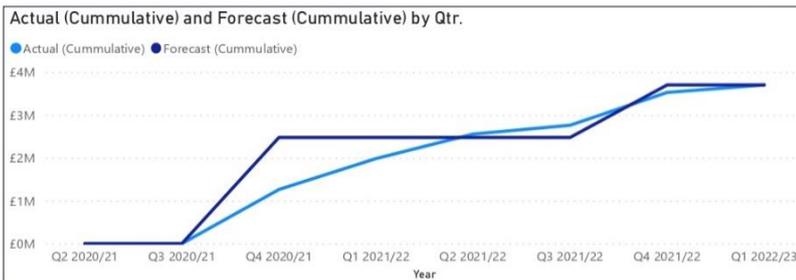
11.1 There is no call on the HEY LEP's core budget to support delivery of the Investment programmes at the current time. However, there will be ongoing programme monitoring requirements to at least 2025.

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

11.3 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.

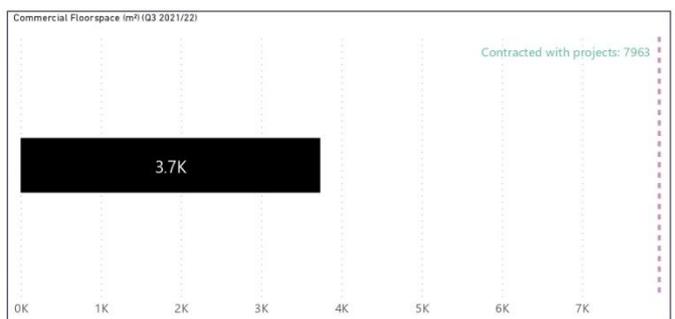
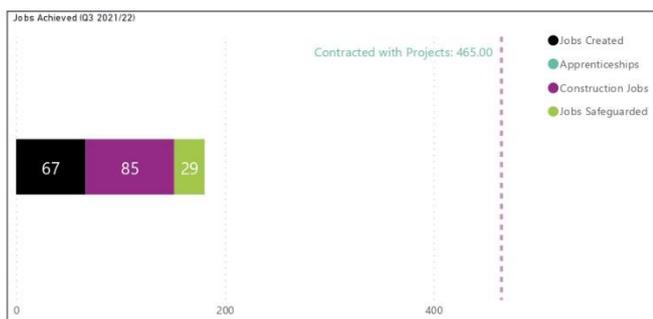
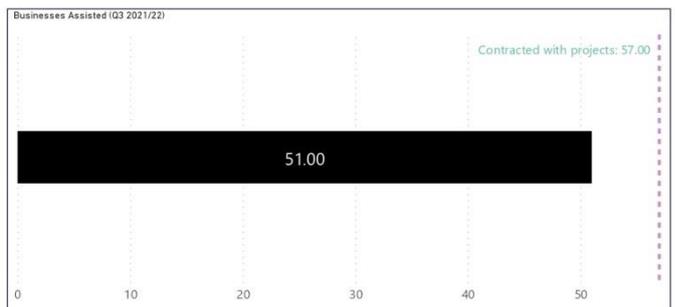
Annex 1 – GBF Business Support Schemes Q3 spend and output dashboards (to 31st December 2021)

Getting Building Fund (GBF) spend status overview - to end Q3 2021/22 January 2022	Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
	£4M	£3M	£940K	£0	4	3	1	0



Getting Building Fund (GBF) Business Support Board Outputs (Q3 2021/22) January 2022

Match Funding	Jobs (Direct/Safeguarded/Apprenticeships/Construction)	Businesses Assisted	Commercial Floorspace (m ²)
£13.25M	119.00	51.00	3.74K



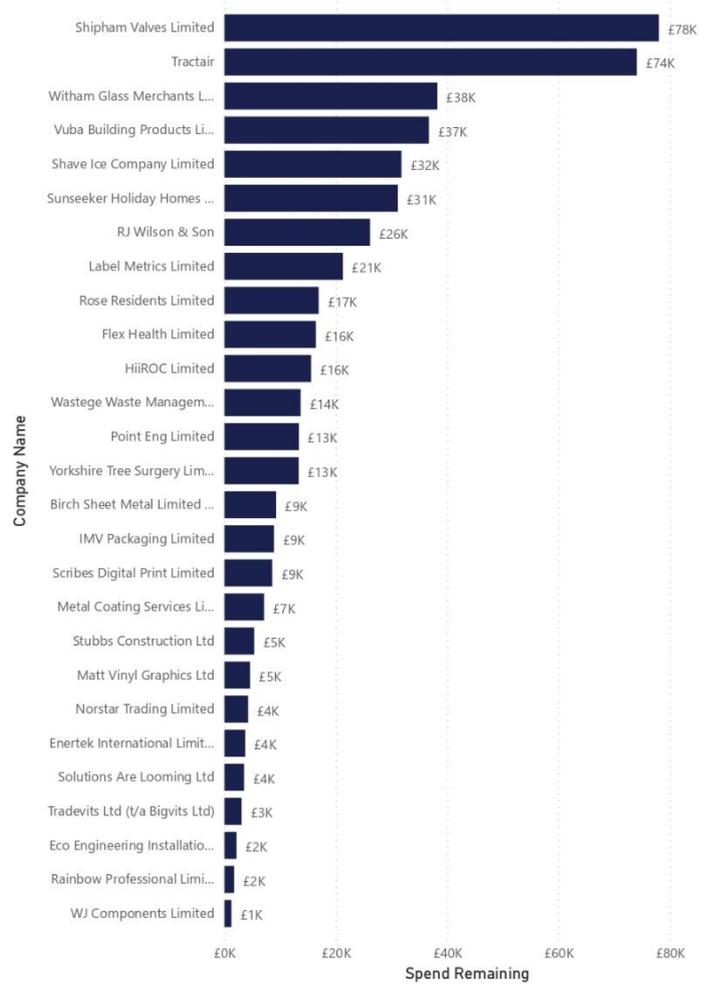
Annex 2 – GHEY spend and output dashboards (to 18th February 2022)

Growing Hull & East Yorkshire Investment Data 18/02/2022

Funding Contracted	Funding Claimed	PSL Contracted	PSL Claimed	Live	In Appraisal	Financially Complete	Total Completion	Withdrawn
£1.68M	£1.19M	£10.25M	£6.84M	27	0	25	11	14



Spend Remaining by Company Name



Growing Hull & East Yorkshire Outputs Data

18/02/2022

Direct Jobs Created	Safeguarded Jobs	Commercial Floor Space (m ²)	Businesses Assisted
94	33	8.8K	52

