

Hull and East Yorkshire LEP

Paper F – Investment Programmes (Getting Building Fund/Growing Hull & East Yorkshire/Growing Places Fund)

Report to the Business Support Board, May 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 March 2022 (last complete reporting period).

1.2. This report also provides a delivery update on the LEP administered Growing Hull and East Yorkshire (GHEY) and Growing Places business grants/Loan programme on behalf of the Investment Panel.

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 March 2022 (Q4). 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.4 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 delays of the installation of mains electric supply to the site from the power company. In consequence the project is due to achieve completion by 31 st May 2022 instead of 22 nd April (as previously reported)	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 & COVID related delays. 4 Projects have been given extensions to their contracted end dates and are expected to delay remaining funds by the end of Qtr.1 22/23.	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 £1.49m of the available £1.7m.
- 8.2. The programme team worked 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. Four Projects have been given extensions to their contracted end dates and are expected to delay remaining funds by the end of Qtr.1 22/23.
- 8.3. Programme dashboards for spend and output delivery are provided at Annex 2. To 28th April 2022 businesses had claimed just over £1.47m allocated funds. The programme team continues to monitor the remaining projects and encourage timely submission of claims.
- 8.4. The programme expects total underspend of circa £ £275k. The HEY LEP Board at its meeting on 19th January 2022 agreed that Hull City Council as Accountable Body for the scheme could utilise their freedoms and flexibilities to manage any underspend arising to ensure full GBF spend is achieved.
- 8.5. The programme has achieved and exceeded 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 Growing Places Fund officially launched on April 1st 2022.

10.2 To date the programme has received 17 Expressions of interest (as of 28/04/2022).

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

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

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

10.5 We currently have 15 live applications with the first due to be received in by the first week in May 2022.

10.6 Total potential value of grants based on the expressions of interests received to date total £815k.

11. **Financial Implications for Investment Programmes**

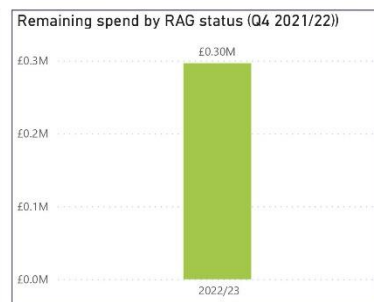
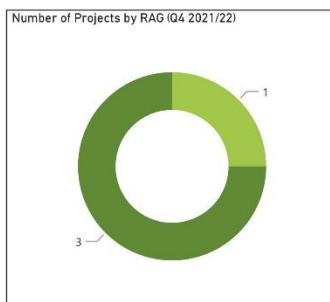
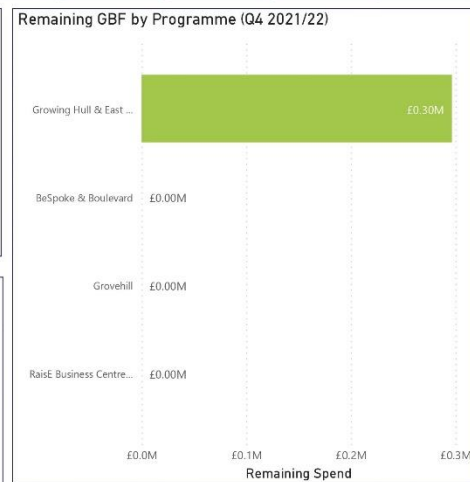
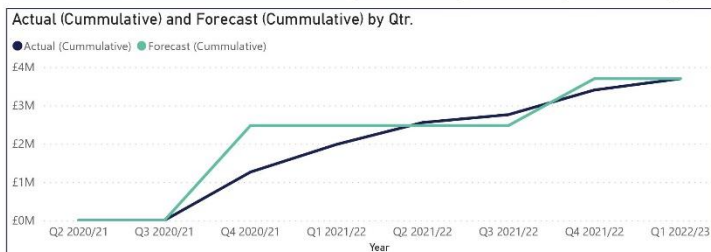
11.1 There is no call on the HEY LEP's core budget to support delivery of the Investment programmes at the current time. However, there will be ongoing programme monitoring requirements to at least 2025.

11.2 The 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 March 2022)

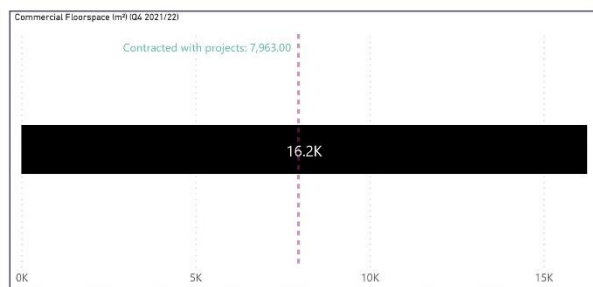
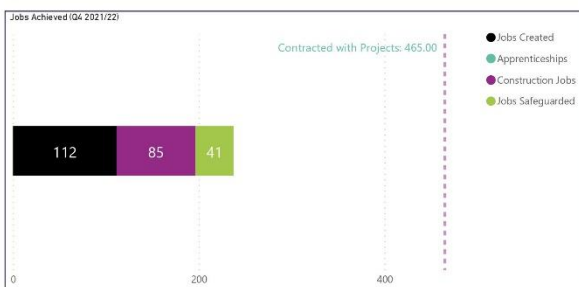
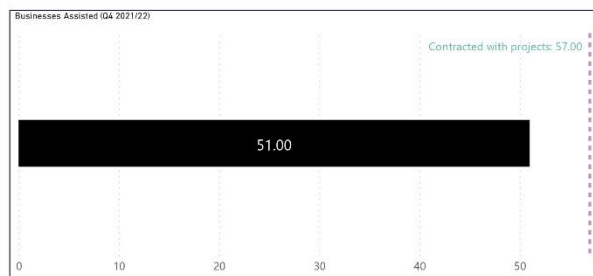
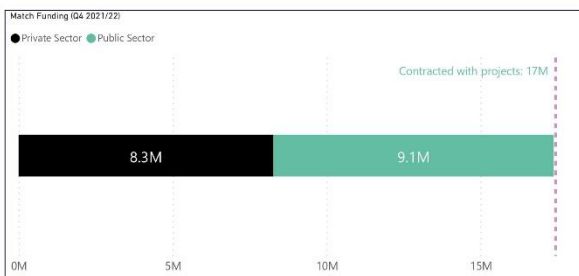
Getting Building Fund (GBF) spend status overview - to end Q4 2021/22 April 2022	Total GBF £3.7M	Spent £3.4M	Profiled £300K	Unallocated £0	Projects 4	Completed 3	In Delivery 1	In Appraisal 0
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NOTE: The HEY LEP Board at its meeting on 19th January agreed 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) Business Support Board Outputs (Q4 2021/22) April 2022

Match Funding £17.38M	Jobs (Direct/ Safeguarded/ Apprenticeships/Construction) 237.50	Businesses Assisted 51.00	Commercial Floorspace (m²) 16.25K
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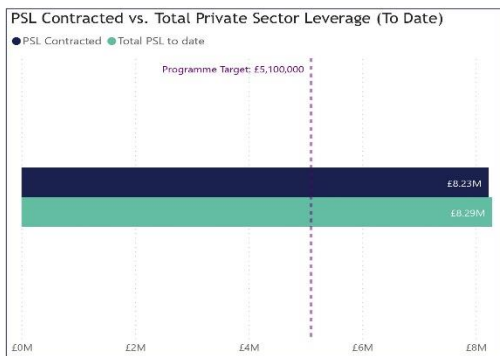
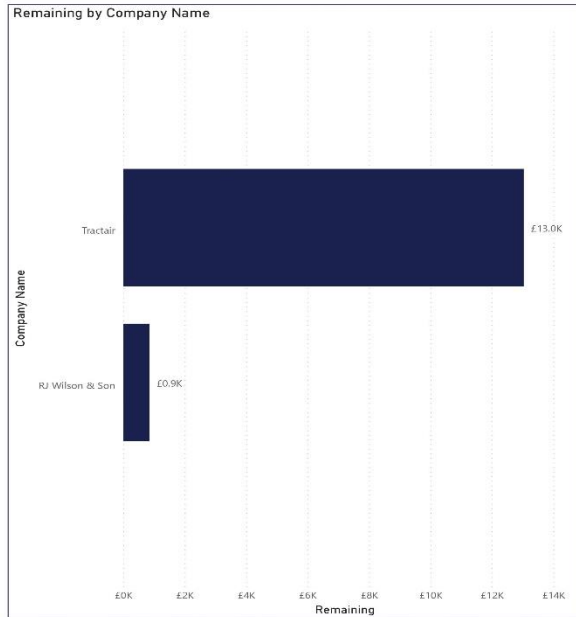
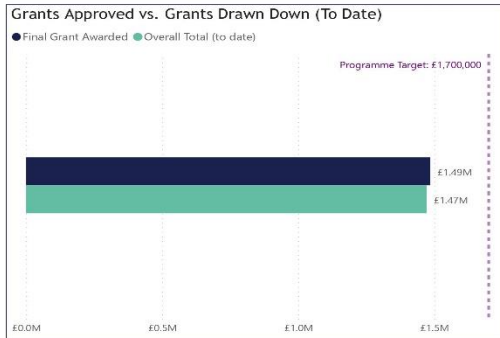


Annex 2 – GHEY spend and output dashboards (to 28th April 2022)

Growing Hull & East Yorkshire Investment Data

28/04/2022

Funding Contracted	Funding Claimed	PSL Contracted	PSL Claimed	Live	In Appraisal	Financially Complete	Total Completion	Withdrawn
£1.49M	£1.47M	£8.23M	£8.29M	2	0	48	23	16



NOTE: The HEY LEP Board at its meeting on 19th January agreed that any underspend on the GHEY Programme 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.

Growing Hull & East Yorkshire Outputs Data

28/04/2022

Direct Jobs Created	Safeguarded Jobs	Commercial Floor Space (m ²)	Businesses Assisted
117	41	10.3K	52

