

Hull and East Yorkshire LEP Business Support Board Paper D – Investment Programmes

Report to the Board, 7th December 2022
Report from Kirsty Barr



1. Summary

1.1. This report updates the Business Support 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 delivery report reflects the situation at the last complete quarterly claim period to end of September 2022 (Q2). Progress dashboards for spend and output delivery are included in Annex 2.

3.2. Projects continue to progress with all projects having submitted claims and output delivery continuing to be seen, with progress being made in achieving jobs and completed road/cycleway.

3.3. It should be noted that delivery of outputs such as houses unlocked, were expected to be delivered beyond 2025.

3.5 Physical completion of the Hull and East Yorkshire Cycle Route Delivery Programme remains on track has been further delayed and is now expected to complete Qtr. 4 2022/23 rather than Qtr. 3 2022/23, as previously reported. This has been predominantly due to a delay in the utilities work in the area, causing a delay to the Project being able to get on site.

4. Risk Management

Project	Delivery Risk	Actions
Hull & East Yorkshire Cycle Route Delivery Programme	<p>Final junction improvement at Beverley Road / Queens Road will be delayed due to the unforeseen delays from Utility Providers in terms of protection and diversion works to their services.</p> <p>Originally programmed in for 6 weeks from 20th October 2022, this work will now be delayed until May 2023 so as</p>	<p>GBF has now been defrayed in full, but the majority of match spend will now be achieved in the next financial year.</p> <p>Programme delivery team to monitor</p>

	to allow the utility companies adequate time to protect and divert their services.	
Growing Hull and East Yorkshire	In Qtr.4 21/22 it was agreed that F&F would be utilised to manage the in-year underspend. Total amount of F&F remaining against this project is therefore £149,361.95 (Forecast to be defrayed by the end of Qtr.4 22/23) On this basis we remain confident that the total amount of monies linked to the F&F used will be defrayed within the F/Y 2022/23.	This project has exceeded its contracted outputs, with businesses overachieving on their deliverables related to business growth. A minor risk remains in that the F&F used are linked to a new grant scheme and defrayal often lags behind commitment of monies, however to date £335,567.74 has been committed to businesses and is contracted with them to be defrayed by 31st March 2023. Programme delivery team to monitor

5. Local Growth Fund – Outstanding Delivery

- 5.1. 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.
- 5.2. The investment programme team at the HEY LEP continues to monitor progress relating to both Match expenditure and Output Delivery.
- 5.3. Outstanding output delivery in relation to roads and cycleways are linked primarily to the Stoneferry Road and Priory Park schemes.
 - 5.3.1. Stoneferry Road - all works are now complete. Contractor is now working through a list of defects and is producing scheme as built information and the Health and Safety file.
 - 5.3.2. Priory Park - the project is on site and reporting no further issues. The scheme is still expected to complete May 2023.
 - 5.3.3. 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 and they have received 2 EOI's for the commercial space, upon which the remaining outputs and spend are reliant. NELC are currently reviewing the proposals.
 - 5.3.4. Holderness Drain's end date has slipped into the next F/Y (Qtr.2 2022/23) we have sought clarification as to why the slippage has occurred,

but we are yet to receive a response from the Project Sponsor. The Investment programme team will continue to liaise and monitor.

- 5.4. 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 (425)

Jobs/Safeguarded Jobs (409)

Apprenticeships (425)

New Learners Assisted (249)

Commercial Floorspace Created (12,243m²)

Commercial Floorspace Occupied (13,243m²)

6. Growing Places Fund

- 6.1. 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
- 6.2. £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.
- 6.3. 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.
- 6.4. 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.
- 6.5. Full membership of the Investment Panel, along with a record of approved grants can be found here - <https://heylep.com/board-page/investment-panel/>

7. Growing Places Fund – Delivery Report

- 7.1. The Growing Places Fund officially launched on April 1st, 2022.
- 7.2. To date the programme has received 65 Expressions of interest (as of 09/11/2022).

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

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

7.5. We have currently received 24 applications (09/11/2022)

7.6. 15 Grants have been approved to date (09/11/2022). The value of grants awarded was £335,567.74.

7.7. A further 3 applications are currently in appraisal, with final grant decisions due to be made at the Investment Panel to be held on 15th November 2022. The total value of the grant ask(s) is £70,324.34

7.8. 5 out of the 15 grants awarded have been drawn down in full to the value of £51,252.68

8. **Delivery Costs**

8.1. 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.

8.2. Following the HEY LEP Boards January meeting it was agreed that any underspend on the GBF Programme Management budget was to 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

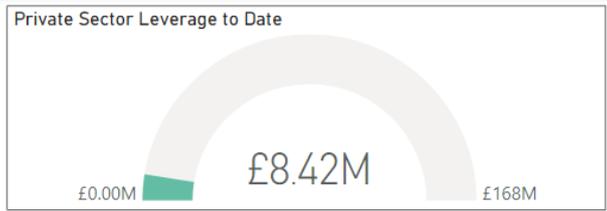
Annex 2 – GBF Q1 Progress Dashboard (to 30th September 2022)



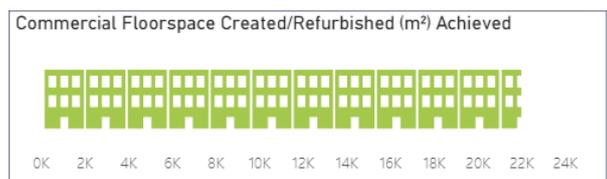
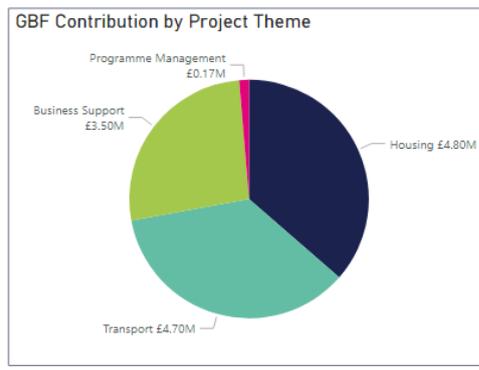
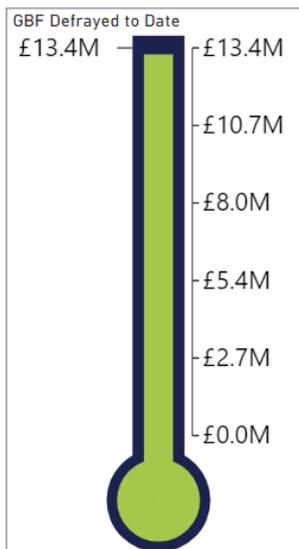








HEY LEP - Getting Building Fund - Qtr.2 2022/23





Annex 3 – GPF Progress Dashboard (to 9th November 2022)

Growing Places Fund (09.11.22)

