

Hull and East Yorkshire LEP Board

Investment Programmes

Report to the Board, September 2022

Report from Kirsty Barr

Paper C – Investment Programmes



Hull and
East Yorkshire
Local Enterprise
Partnership

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 delivery report reflects the situation at the last complete quarterly claim period to end of July 2022 (Q1). Progress dashboards for spend and output delivery are included in Annex 1.

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. However, as a result of the scheme the development of these housing sites has been accelerated, allowing for some housing outputs to be realised within the first half of this financial year (22/23)

3.4. The number of houses expected to be unlocked as a result of the Delivering Housing Growth (3) scheme has reduced by 146.

3.4.1. When the business case was originally submitted the aspiration on the masterplan for Wawne View was to provide 810 new homes.

3.4.2. Following an extensive planning process including consultation exercises this was reduced to 664 for various reasons; the requirement for the developers to provide what is acceptable in planning terms, i.e., it wouldn't get planning permission for 810 and the identification of constraints that limit where new homes can be delivered on the site because of easements etc.

3.4.3. BEIS have been informed of the reduction, which has been reflected through our Qtrly reporting. No change request is required to be submitted at this time, although the Hull CC as the accountable body will issue a formal contract variation letter to confirm the reduction in project outputs.

3.5 Physical completion of the Hull and East Yorkshire Cycle Route Delivery Programme remains on track for completion in Qtr. 3 2022/23.

4. Risk Management

Project	Delivery Risk	Actions
Hull & East Yorkshire Cycle Route Delivery Programme	Remaining works at junctions of Inglemire Lane, Cottingham Road and Queens Road have been delayed slightly sliding over into 22/23 Q2 and Q3 due to the restrictions of permits to work in the public highway on a strategic route. Remaining works across Princes Avenue, minor works on Pearson Park Road to be delivered in 22/23 Q1. Revised designs for the Chanterlands Avenue section are being considered and will be procured in Q2 with delivery planned for Q2 / Q3.	GBF has now been defrayed in full, but the majority of match spend will now be achieved in the next financial year. Programme delivery team to monitor
Delivering Housing Growth (3) Ings & Warne View	The number of houses expected to be unlocked as a result of the Delivering Housing Growth (3) scheme has reduced by 146, following an extensive planning process including consultation exercises	BEIS have been informed. Project contract variation letter to be issued by Hull CC. 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. A further two projects have now been transferred over to GL LEP for ongoing outputs monitoring: Grimsby Town Centre 'Unlocking the Potential' and Constructing Future Growth.

5.3. 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, but they are yet to determine further actions and timescales for outstanding delivery as these are dependent on the outcome of NELC's LUF bid.

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 within the coming weeks.

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 (575)

Jobs/Safeguarded Jobs (428)

Apprenticeships (141)

New Learners Assisted (242)

Commercial Floorspace Created (12,243m²)

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 - <https://heylep.com/board-page/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 54 Expressions of interest (as of 08/09/2022).
- 8.3. 92% of EOI's 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 58/42 % split between applications received from Hull and the East Riding of Yorkshire.
- 8.6. We have currently received 18 applications (08/09/2022)
- 8.7. 7 Grants have been approved to date (08/09/2022). The value of grants awarded was £86,252.68
- 8.8. A further 10 applications are currently in appraisal, with final grant decisions due to be made at the Investment Panel to be held on 18th October 2022. The total value of the grant ask(s) is £514,655.98

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. 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.

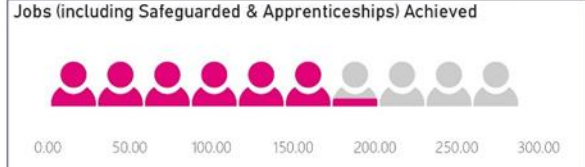
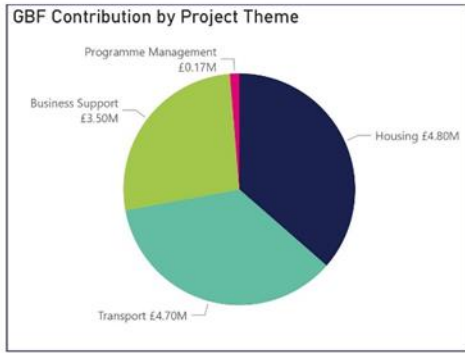
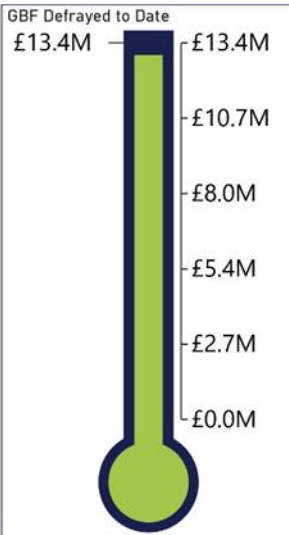
Annex 1 – GBF Programme Summary

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 31st July 2022)

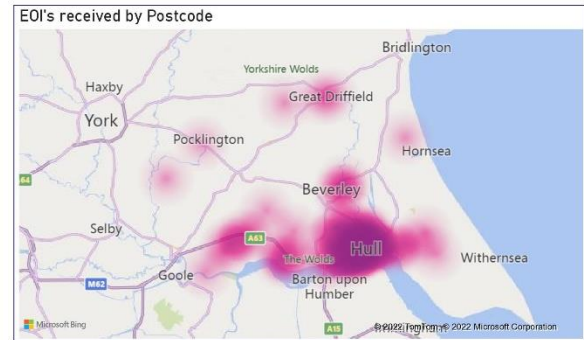
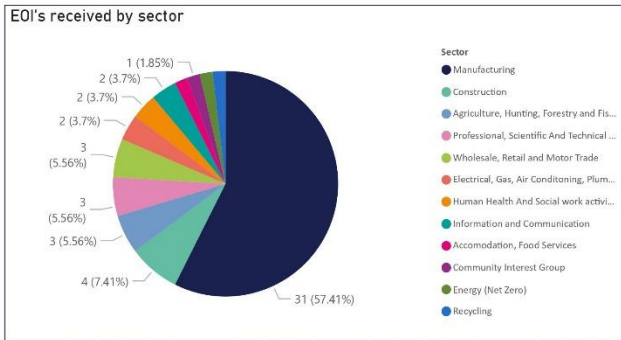
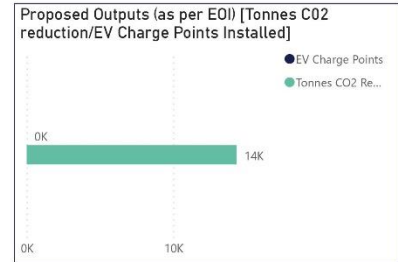
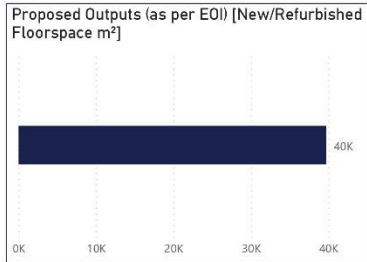
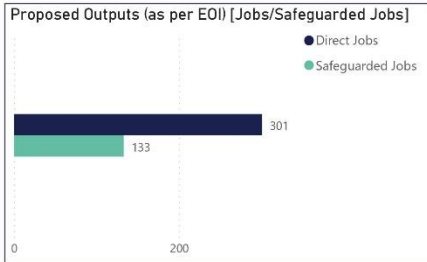
HEY LEP - Getting Building Fund - Qtr.1 2022/23



Annex 3 – GPF Progress Dashboards (to 8th September 2022)

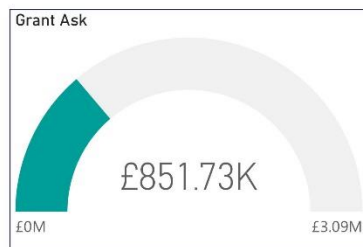
Growing Places Fund EOI's

EOI's Received	Total Grant Ask
54	£3.54M



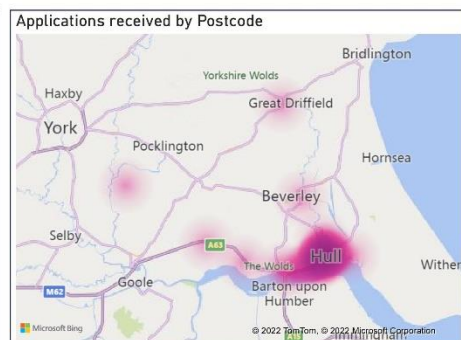
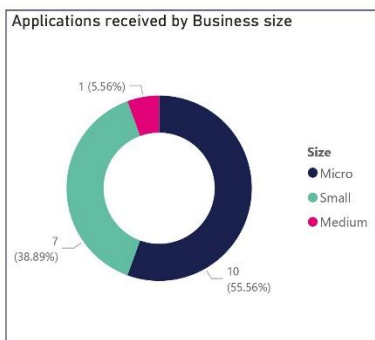
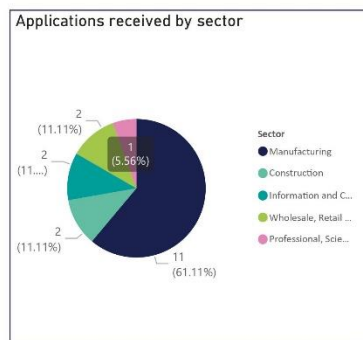
Growing Places Fund Applications

Applications Received	Total Grant Ask
18	£851.73K



74.00 Direct Jobs
27.00 Safeguarded Jobs
5.69K Floorspace (m²)

11.00 EV Charging Points
144.40K Tonnes of CO2 Reduction





Annex 3 – GPF Progress Dashboards (to 8th September 2022)

Growing Places Fund (08.09.22)

