

HEY LEP Board

Paper F – Investment Programmes
25th May 2023

Report from. Jacquie Newman

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. Report

3.1. This delivery report reflects the situation at the last complete quarterly claim period to end of December 2023 (Q3). Progress dashboard for spend and output delivery is 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, are expected to be delivered beyond 2025.

Hull and East Yorkshire Cycle Route Delivery project is now complete. Hull CC are looking to develop some additional works on Chanterlands Avenue and Bricknell Avenue. This will include public realm work and the proposal of a 20mph speed limit. These works did not form part of the original contract for the City Centre to Cottingham route but remain part of the commitment from HCC in terms of delivering cycle infrastructure.

4. Risk Management

Project	Delivery Risks	Actions
Hull & East Yorkshire Cycle Route Delivery Programme	None - as routes are completed. Additional work proposed above – not confirmed.	GBF has now been defrayed in full, but the remaining match is due to be achieved in Qtr 4 Programme delivery team to monitor
Growing Hull and East Yorkshire	In Qtr.4 21/22 it was agreed that the F&F would be utilised to manage the in-year	This project has exceeded its contracted outputs, with businesses overachieving on their

	<p>underspend on GHEY. The total amount of F&F remaining against this project was therefore £149,361.95 (Forecasted) 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 will be defrayed within the F/Y 2022/23.</p>	<p>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</p>
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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.
- 5.4. Stoneferry Road - all works are now complete. The contractor is now working through a list of defects.
- 5.5. Priory Park - the project is on site and reporting no further issues. Weekly update reports are confident that the scheme will be fully complete by end of May 2023.
- 5.6. The Central Cleethorpes Regeneration Programme is not yet physically/financially (match) complete and will remain with HEY LEP until it is so. NELC received monies from Round 2 of the Levelling Up Fund and have two interested parties in commercially running the multi-functional building on Sea Road. The Investment Programme Team have scheduled a performance meeting to discuss the progress of the project to date.
- 5.7. Holderness Drain's site works are due to complete 1st September 2023 (Qtr.2 2022/23). The works have slipped due to the bad weather and the need to avoid any risk of flooding. The Investment Programme team will continue to liaise and monitor closely.
- 5.8. 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 – (GPF)

- 6.1. The HEY LEP Board at its meeting on 19th January 2022 agreed to commit
- 6.2. £3.25m from the HEY LEP's Growing Places Fund to create a new 3-year business support programme
- 6.3. £0.45m from this allocation is ring-fenced to cover programme management and administration, including the retention of the newly recruited Investment Programmes Co-ordinator and Investment Programmes Officer role.
- 6.4. 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.
- 6.5. 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 all funding decisions delegated to the HEY LEP's Investment Panel, Chaired by David Kilburn.
- 6.6. 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 in April 2022.
- 7.2. To date the programme has received 91 Expressions of Interest (as of 12/05/2023). They cover a wide variety of sectors including Manufacturing, Construction, Agriculture & Horticulture, Hospitality, Retail and Wholesale.
- 7.3. There remains a 50/50% split between Hull and East Riding.
- 7.4. GPF has currently received 46 applications.
- 7.5. There are 28 grants that have been approved to date (12/05/2023). The value of grants awarded is £612,965.33.

7.6. A further 12 applications are currently in appraisal, with grant decisions due to be made on 3 to be presented at the Investment Panel held on 16th May 2023. The total value to date of grant applications is £2,690,924.82.

7.7. 12 out of the 21 grants awarded have been drawn down in full to the value of £193,753.58.

Outputs to date

	Proposed	Actual to date
Jobs Created	75	11
Jobs safeguarded	29	8
Floor space created m2	1,592.5	558.9

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. Although the agreed underspend from the GBF Programme Management budget is to be transferred to support the growing places Grant/Loan Programme. GPF team will continue to monitor the requirements of the LGF and GBF Programmes until completed.

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 is located 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 in 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.	

Annex 2 – GBF Q3 Progress Dashboard (to 31st March 2023)

