

Hull and East Yorkshire LEP Board

Report from Jacquie Newman, Investment Programme Coordinator
Paper E – Investment Programme Update 20th March 2024

1. Summary

1.1. This report updates the Board in relation to the legacy capital programmes: Local Growth Fund (LGF), Getting Building Fund (GBF) and the Growing Places Fund (GPF).

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 for LGF/GBF to end of December (Q3).

3.2. 8 Remaining LGF projects are continuing to progress well, claims and output delivery is submitted alongside progress update written reports. Satisfactory progress is being made in achieving all outputs. It should be noted that delivery of certain outputs such as houses unlocked, are expected to be delivered beyond 2025.

4. Local Growth Fund (LGF) - all LGF is defrayed.

4.1. The following projects are being monitored closely to ensure match and output targets are being met.

	Targets remaining	Proposed completion date
12 – River Hull Integrated Catchment Strategy	Match	2025+
33 – Skills Capital HETA engineering Centre	Outputs	31/03/2025
42 – Delivering House Growth (2)	Match and outputs	31/03/2029
43 – Unlocking the City Centre	Outputs	02/11/2026
46 – Central Cleethorpes	Match and outputs	31/03/2025
48 – Phase 3 @thedock	Match and outputs	31/03/2025
50 – Brough Relief Road Phase 3	Match and outputs	31/03/2025

55 – Humber Energy Academy	Outputs	31/03/2026
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4.2. LGF12 - Holderness Drain site - Two of the pumps in East Hull were successfully used in recent months during the heavy storms our area has encountered.

All outputs achieved Qtr. 3 (Dec 2023):

- area of land with reduced flood risk – (ha) 4,458,
- domestic properties with reduced flood risk – 870
- commercial units with reduced flood risk – 116
- Match funding spend will continue to be monitored past 2025 – includes salaries and Castlehill maintenance, this will continue to be closely monitored on the quarterly returns.



4.3. LGF33 – HETA (Advanced Engineering Centre). All LGF expenditure defrayed. Financial completion was in 2018 – outputs, continue to be monitored. Covid had a significant impact on their ability to deliver qualifications within their original timeframe.

Target qualifications – 1244, achieved 656, variance 588.

Target apprentices 816, achieved 354, variance 462 – outputs forecast until the end of Qtr. 4 24/25. A meeting has been scheduled to implement an action plan as to how and when the outputs will be achieved.

4.4. LGF42 - Delivering Housing Growth (2), match and outputs continue to be claimed on a quarterly basis. Expected completion 2029. A monitoring visit is being organised to gather clearer data as to how the project is performing and to discuss a timeline for completion.

4.5. LGF43 – Unlocking the City Centre, progress continues to be delayed surrounding the demolition of the building and the retainment of the Grade II listed ‘Three Ships’ Mural.

4.6. LGF46 –the small kiosk and toilet block are due to be demolished in April 2024 with the site continuing to be marketed for future occupation. North East Lincolnshire Council have also been awarded £18.4m of Levelling Up Fund to transform

Cleethorpes Seafront: regenerating Pier Gardens, reintroducing the historic Market Place and delivering a multi-use, tourism focus in the new landmark building on Sea Road. These three projects will serve to enhance support for the whole community, creating opportunities and making the area more attractive to a diverse range of people.

The proposed development comprises a new iconic building of 738 sq. m (7,940 sq. ft) approx. situated over three floors, with accommodation from 123 sq. m (1,323 sq. ft) approx. together with extensive balcony areas to all three floors.



4.7. LGF46 - Central Cleethorpes is situated within the GL LEP area. At our annual performance review with DBT, it was suggested that we transfer the remaining administration of the contract to be monitored by the GL LEP team. We are now in discussions to enable a smooth transfer – as with previous LGF, GL LEP area contracts.

4.8. LGF47 – Humber High Street Challenge - Project now totally completed. All outputs have now been claimed in Qtr 3 and are due to be reported as fully completed in Qtr. 3&4 monitoring report.

4.9. LGF48 – Phase 3 @the dock, LGF expenditure defrayed. Match target £3,543,350, achieved £3,481,329, variance £62,021. Match funding is generated from the tenants rent free period which is forecast to be claimed up to March 2025.

LGF50 - Brough Relief Road - Retention payment on the works contract (where ERYC hold back payment of a proportion of the works value until the end of the maintenance period) is due to be paid in March 2025. This equates to the last spend and claim on the project being forecast for Q4 2024/25.

LGF55 – Humber Energy Academy (HEA) – Covid also significantly impacted on the capacity to deliver to their original targets, outputs have been forecast to March 26, HEA are in negotiations with ARCO, another provider to utilise extra delivery space.

Outputs as follows:

- Qualifications target 90, achieved 66, variance 24,
- Apprenticeships target 57, achieved 17, variance 40.
- Apprenticeships are forecast to be accessed until March 2026.

They are continuing to explore opportunities for increasing staff capacity to enable them to achieve outputs more efficiently.

Outputs to be closely monitored. Any further variations in targets will be submitted in April 24.

LGF - As previously discussed, a significant number of outputs will be delivered throughout the programmes after 2025 - primarily skills and qualifications, houses and commercial floorspace. The sum of total outputs profiled v actual to date by LGF projects in the HEY LEP region are as follows:

Local Growth fund	Profiled outputs	Actual outputs to date
Houses completed	3,269	2,443
Jobs/Safeguarded Jobs	6,886	8,594
Apprenticeships	977	844
New Learners Assisted	12,496	14,854
Commercial Floorspace created	25,998 m ²	9,668 m ²
Commercial Floorspace occupied	32,215 m ²	8,934 m ²

5. Getting Building Fund – GBF

GBF02 – Goole RaisE Business Centre, continues to submit match funding and outputs to March 24.

GBF04– Delivering Housing Growth (3) Ings and Wawne, match and outputs continue to be claimed, updates received are positive, houses unlocked are expected to continue past 2025.

GBF05 – Hull & ER Cycle Route delivery is now completed.

GBF07 – Bespoke & Boulevard Managed Workspace - All GBF expenditure defrayed, public match target overachieved in 23/23 by £560,117. Due to the success of the managed spaces HCC are refurbishing the adjacent former housing office, creating a further 6 units.

Job outputs are:

Direct/construction jobs target 59, achieved 15, variance 44 (2 jobs have already been submitted for Qtr3), outputs forecast until March 2025. A meeting is being scheduled to discuss job outputs as the team have been informed that the project has actually achieved its job targets but there has been confusion as to the details required for the claim. Qtr. 3&4 monitoring report will inform the correct data at the submission point in May.

Growing Places Fund – (GPF)

5.1. Since the launch of the Growing Places Fund in January 2022, the capital funding programme has been proud to support SMEs in both Hull & East Yorkshire with grants, to incentivise and enable business growth. The Fund is a £3.25m business investment scheme providing capital grants and or loans to SMEs in Hull and East Yorkshire to support and incentivise business growth, investment and job creation alongside encouraging 'Green Outcomes' i.e., a reduction in carbon emissions.

To date the GPF has awarded grants to 43 businesses across the whole Region (Hull & ERYC), 16 to SMEs in the East Riding of Yorkshire and 27 in Hull to a joint overall value of £1.897m, with increased overall productivity in the form of the potential achievement of 168.5 new/safeguarded jobs.

Manufacturing businesses over the whole region, Hull & East Riding of Yorkshire, account for over 65% for all grants awarded with 30% in East Riding and 70% in Hull.

The progress of all grant awards is closely monitored by the Programme Delivery Team.

5.2. The GPF continues to be delivered successfully with funding recommendations or refusals delegated to the HEY LEP's independent Investment Panel, Chaired by David Kilburn.

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

5.4. The team continue to concentrate on increased promotion of the GPF available; we are working in close partnership with the Made Smarter and Export Growth Grant (EGG) and the newly formed Create Growth Programme (due to launch 21st March 2024) to deliver promotional events across the Hull and East Yorkshire region. GPF was successfully represented at the Capital Equipment Investment for the Manufacturing Sector (20th February) and the Digital & Creative industries Event (22nd February). Both events enabled GPF to discuss funding opportunities to a wide range of potential new applicants and previous successful grant recipients.

6. Growing Places Fund – Delivery Report

6.1. To date the GPF programme has received 116 Expressions of Interest. They cover a wide variety of sectors including Manufacturing, Construction, Agriculture & Horticulture, Hospitality, Retail and Wholesale.

6.2. GPF has currently received 64 applications with a grant ask value of £3.64m.

6.3. To date 43 grants have been approved for award to the value of £1,891,755.31 Close monitoring of spend and outputs continues.

6.4. A visit has been arranged with Councillor Mike Ross and Tim Rix (Investment Panel member) on Wednesday 13th March. The business is looking forward to discussing how the GPF investment has and will continue to enable them to expand their productivity. They are also utilising an EGG award to move into new markets.

GPF Outputs to date

	Proposed	Actual to date
Jobs Created	194	72
Floor space created m2	10,390m2	3280m2

7. Delivery Costs

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. The agreed underspend from the GBF Programme Management budget was transferred to support the Growing Places Grant/Loan Programme. GPF team will continue to monitor the requirements of the LGF and GBF Programmes until fully completed outputs and match has been achieved.

GPF Case Study

Thermoplant (Offshore Service) Ltd



During 2022 Endent Energy, Thermoplant's parent holding company safeguarded 23 jobs at North Sea Ventilation & AC Ltd., a manufacturing company who operate in the same field as Thermoplant by acquiring the business from the liquidators. Thermoplant were awarded a grant value of £94,4000.00 in July 2023. This enabled them to proceed with a planned extension to the Malmo Road facility. Thermoplant and their sister company North Sea Ventilation now share the same facility and have developed a machinery space, whilst opening up additional manufacturing space with the shared expertise of both companies. They are

looking to recruit a variety of positions including apprenticeships to both the factory and offices.