

Hull and East Yorkshire LEP

Paper D – Getting Building Fund and Growing Hull and East Yorkshire business investment grants

Report to the Business Support Board, November 2021

Report from Karen Oliver Spry, Investment Programmes Manager

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 30th June 2021 (last complete reporting period).
- 1.2. This report also provides a delivery update on the LEP administered Growing Hull and East Yorkshire (GHEY) business grants 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 June 2021 (Q1). Progress dashboards for full programme spend and output delivery are included at Annex 1. At the next round of reporting a BSB project specific dashboard will be provided to give clearer oversight of progress in achieving outputs.
- 5.2. Progress has accelerated across all projects. At the end of the Qtr.1 period all projects had submitted claims with progress being made in achieving jobs, assisting businesses, and creating commercial floorspace. Two projects (RaisE and Grovehill Business Centres) had claimed their GBF spend in full, with Bespoke and Boulevard expected to have claimed in full in Q2.
- 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 discovery of Japanese Knotweed on site – this is currently expected to lead to delays of just 2-3 weeks.	Revised programme of works and profiling expected as part of the Qtr.2 claim. 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.	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 £1.47m of the available £1.7m with a further £100k projects currently in appraisal and a significant pipeline of interest. The programme timescales are however becoming challenging for some businesses dealing with supply chain and other business issues.
- 8.2. The programme team is working closely with applicants and business support providers to identify and bring forward viable projects as quickly as possible.
- 8.3. Programme dashboards for spend and output delivery are provided at Annex 2. To 30th September businesses had claimed just over £500k allocated funds. It is expected that defrayal will lag behind commitment within a grant scheme as the grants are paid in arrears against evidenced spend. The programme team continues to monitor projects and encourage timely submission of claims.
- 8.4. The programme is making good progress with achieving outputs and is profiling to overachieve in every category.

9. Financial Implications for Investment Programmes

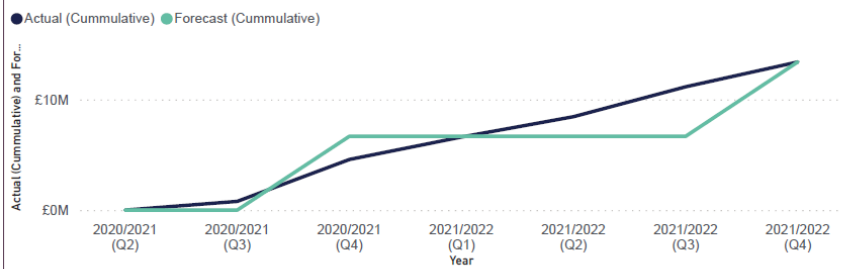
- 9.1. There is no call on the HEY LEP's core budget to support delivery of the Investment programmes at the current time. However, there will be ongoing programme monitoring requirements to at least 2025.
- 9.2. The Investment Programmes team is currently funded to 31st March 2022 when the existing GBF programme ends. Consideration will need to be given to how ongoing monitoring requirements are met in future years.

Annex 1 – GBF Q1 spend and output dashboards (to 30th June 2021)

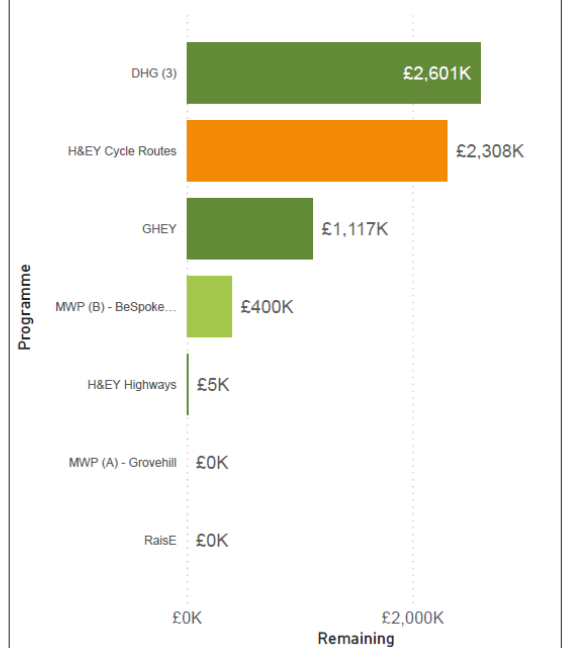
Getting Building Fund (GBF) spend status overview - to end Q1 2021/22 July 2021

Total GBF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
£13.4M	£7M	£6.8M	£0	7	2	5	0

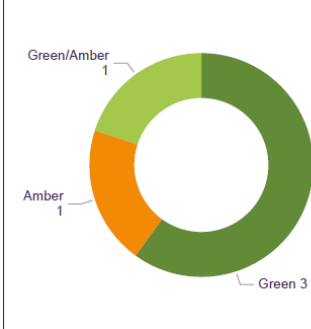
Actual (Cumulative) and Forecast (Cumulative) by Year



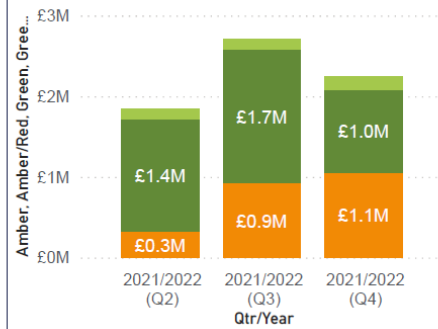
Remaining GBF by Programme (Q1 21/22)



Number of Projects by RAG (Q1 21/22)



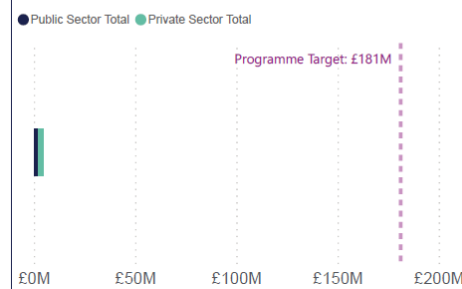
Remaining spend by RAG status (Q1 21/22)



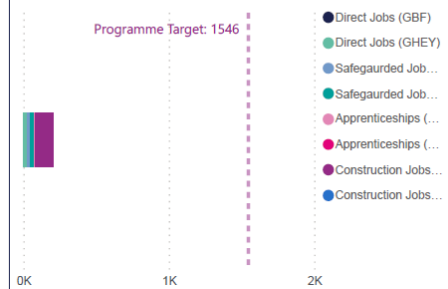
Getting Building Fund (GBF) Outputs (Q1 2021/22) July 2021

Match Funding	Jobs (Direct/ Safeguarded/ Apprenticeships)	Construction Jobs	Businesses Assisted	Houses Unlocked	Commercial Floorspace (m²)	Roads/Cycle Lanes/Walkways (km)	Public Realm/Green Space Created (Ha)
£4.45M	77.00	128	22.00	0	382.00	8.35	0

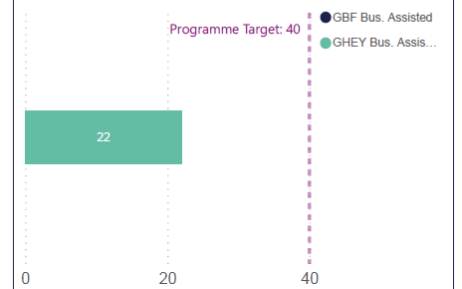
Match Funding (Q1 2021/22)



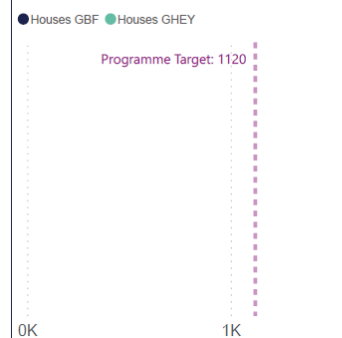
Jobs Achieved (Q1 2021/22)



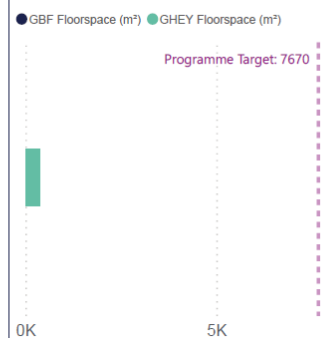
Businesses Assisted (Q1 2021/22)



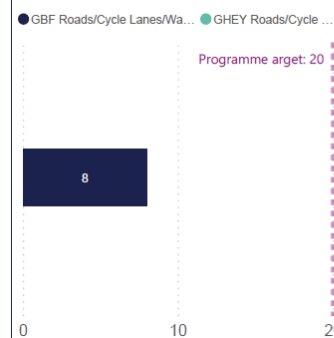
Houses Unlocked (Q1 2021/22)



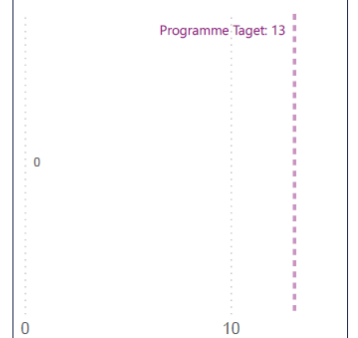
Commercial Floorspace (m²) (Q1 2021/22)



Roads/Cycle Lanes/Walkways (km) (Q1 2021/22)



Public Realm/Greenspace created (Ha) (Q1 2021/22)

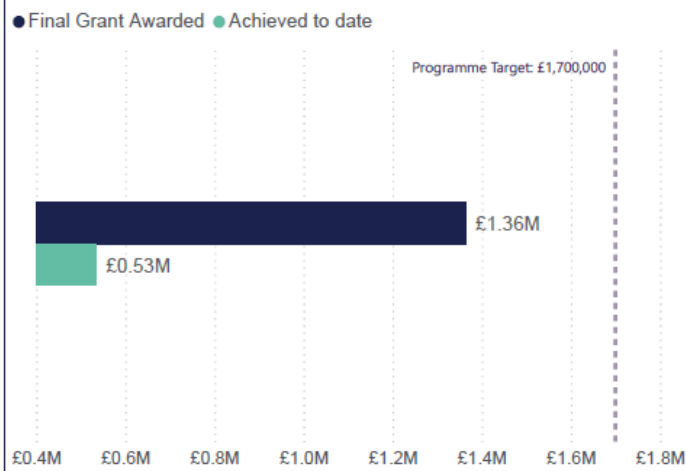


Annex 2 – GHEY spend and output dashboards (to 30th September 2021)

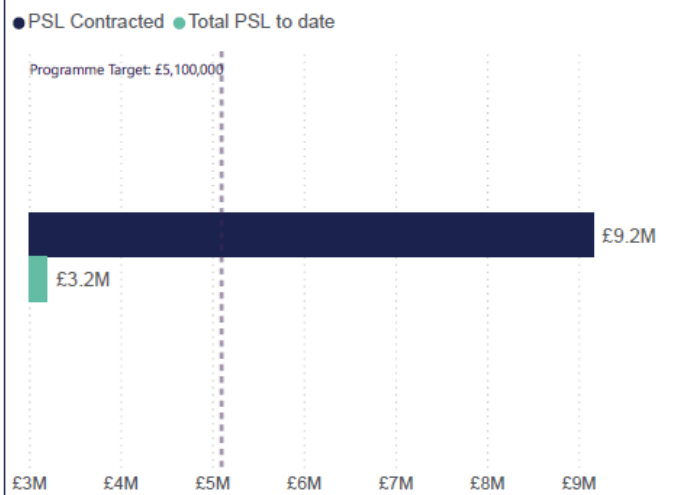
Growing Hull & East Yorkshire Investment Data
30th September 2021

Funding Contracted	Funding Claimed	PSL Contracted	PSL Claimed	Live	In Appraisal	Financially Complete	Total Completion	Withdrawn
£1,364K	£535K	£9.15M	£3,195K	38	5	2	2	10

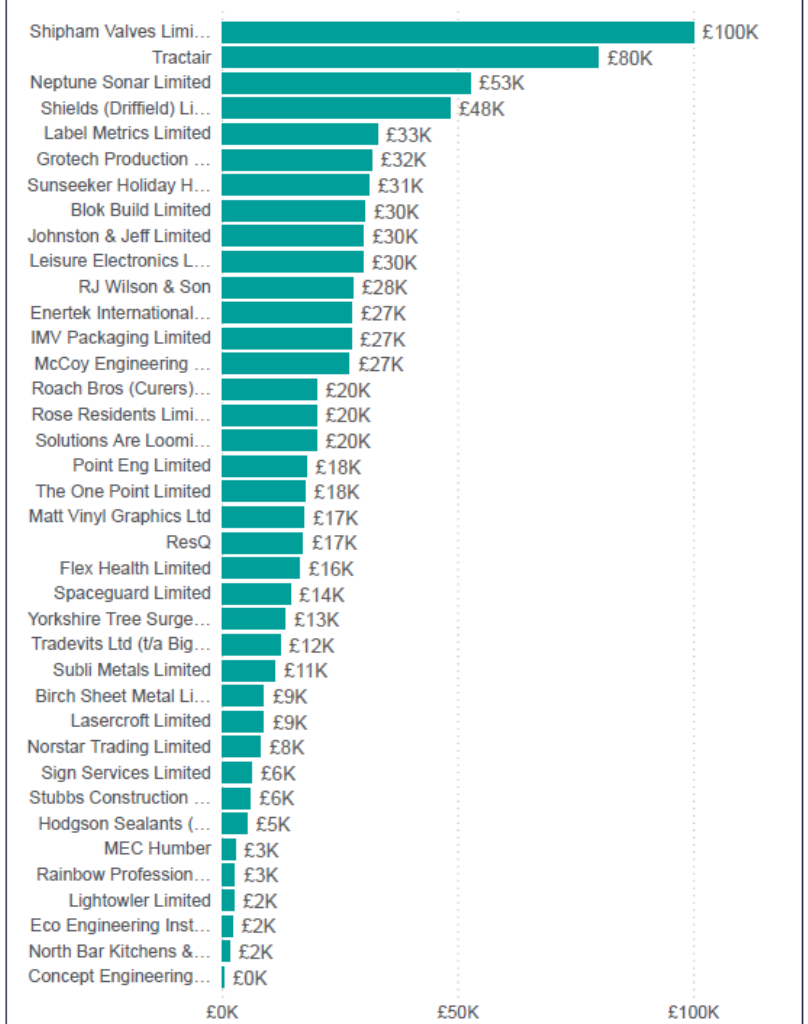
Grants Approved vs. Grants Drawn Down (To Date)



PSL Contracted vs. Total Private Sector Leverage (To Date)



Remaining grant to be claimed by Company Name



**Growing Hull & East Yorkshire
Outputs Data**
30th September 2021

Direct Jobs Created	Safeguarded Jobs	Commercial Floor Space (m ²)	Businesses Assisted
40.2	27	2335	40

