

Growth Deal programme report

Investment and Regulation Board
6 November 2020

Paper B

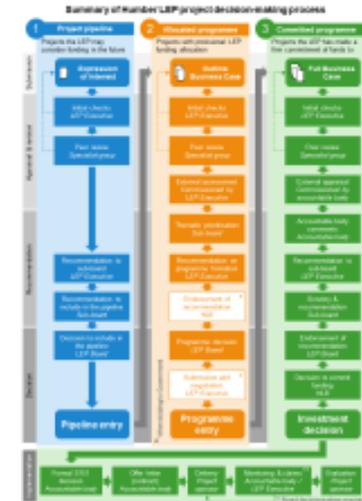
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	Updates	Decisions
Project pipeline		
Allocated programme		
Committed programme	✓	

Background and summary of recommendations

The LEP's decision-making process* takes projects through three stages:

- **Project pipeline** – projects the LEP may consider funding in the future
- **Allocated programme** – projects with a provisional funding allocation from the LEP
- **Committed programme** – projects the LEP has made a firm commitment of funds to, which then move into delivery



The Investment and Regulation Board is recommended to make the following decisions:

- Note the latest progress report

* See <http://www.humberlep.org/assurance/project-decision-making-process/> for details

Spend Dashboard – Q2

Growth Deal programme spend status overview - to end Q2 2020/21

October 2020

Total LGF

£132M

Spent

£112.4M

Profiled

£19.3M

Unallocated

£0

Projects

54

Completed

38

In Delivery

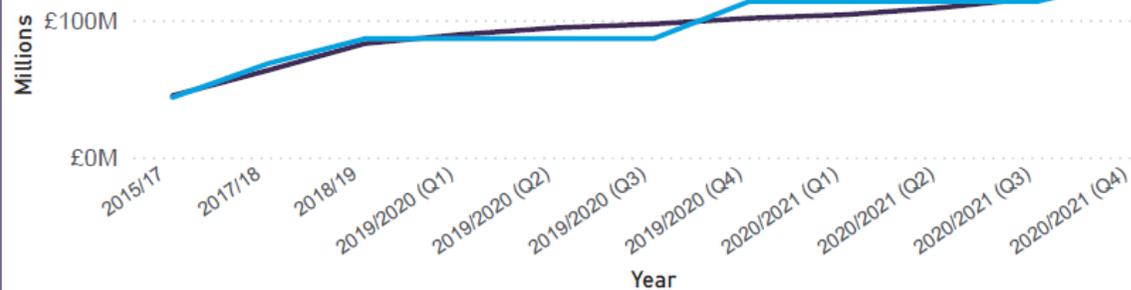
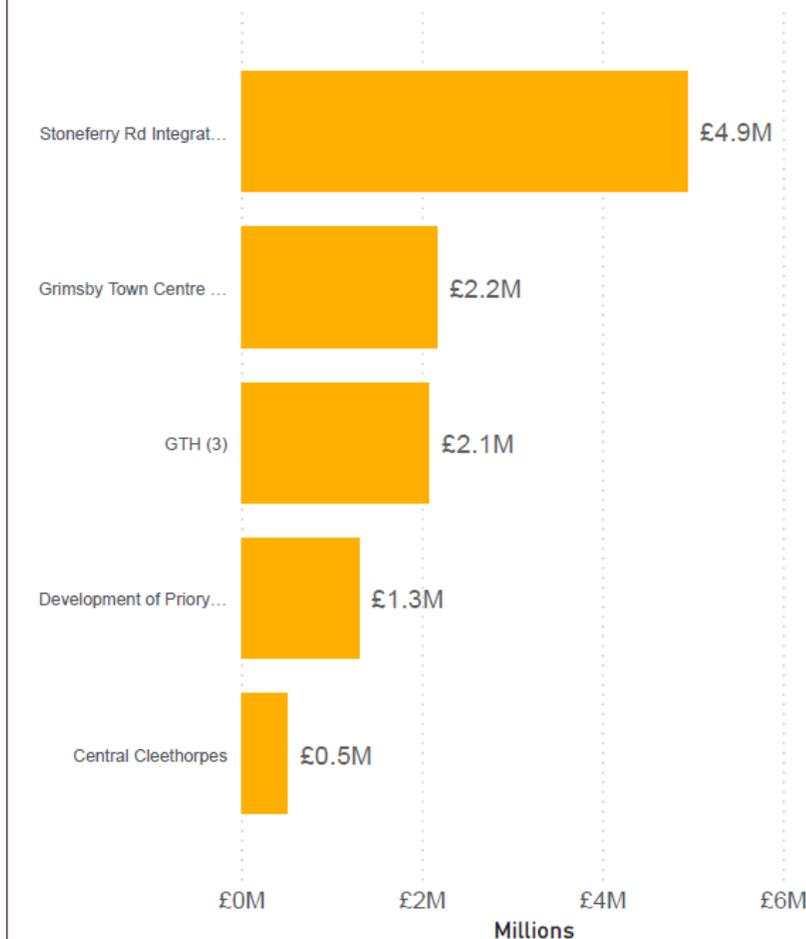
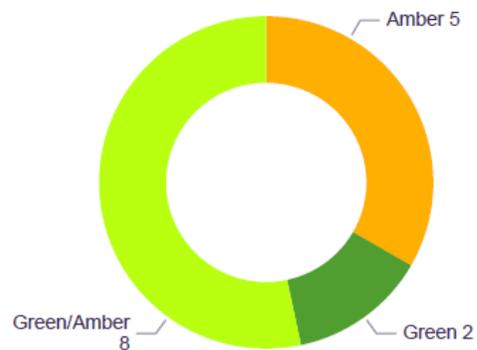
16

In Appraisal

0

LGF Spend - Actual (Cummulative) and Forecast (Cummulative) (Q2 20/21)

● Actual (Cummulative) ● Forecast (Cummulative)


Remaining LGF Spend (Amber/Red RAG rated Projects)

Number of Projects by RAG (Q2 20/21)

Remaining spend by RAG status (Q2 20/21)


Outputs Dashboard – Q2

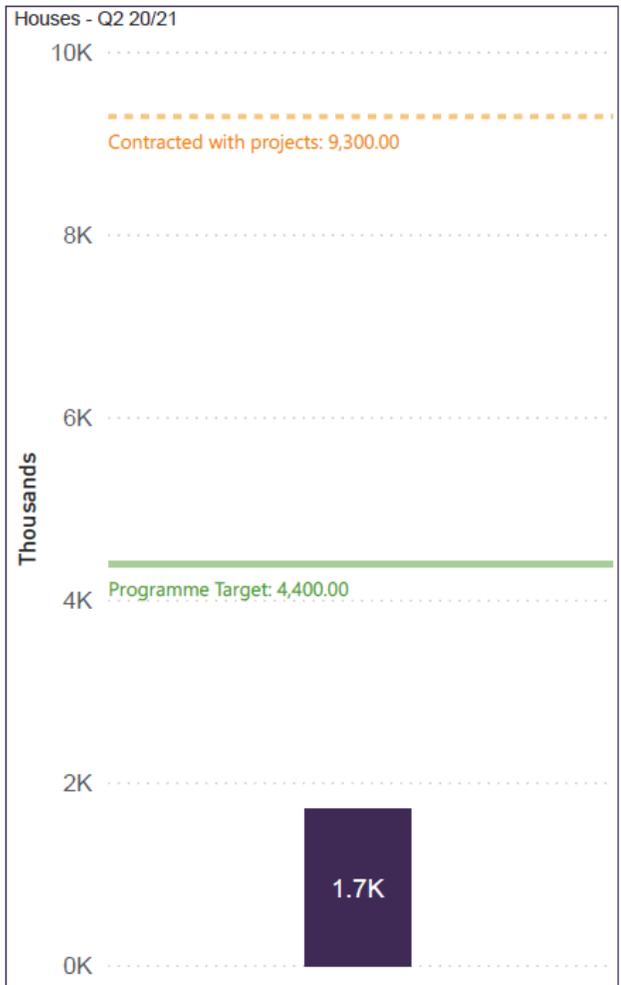
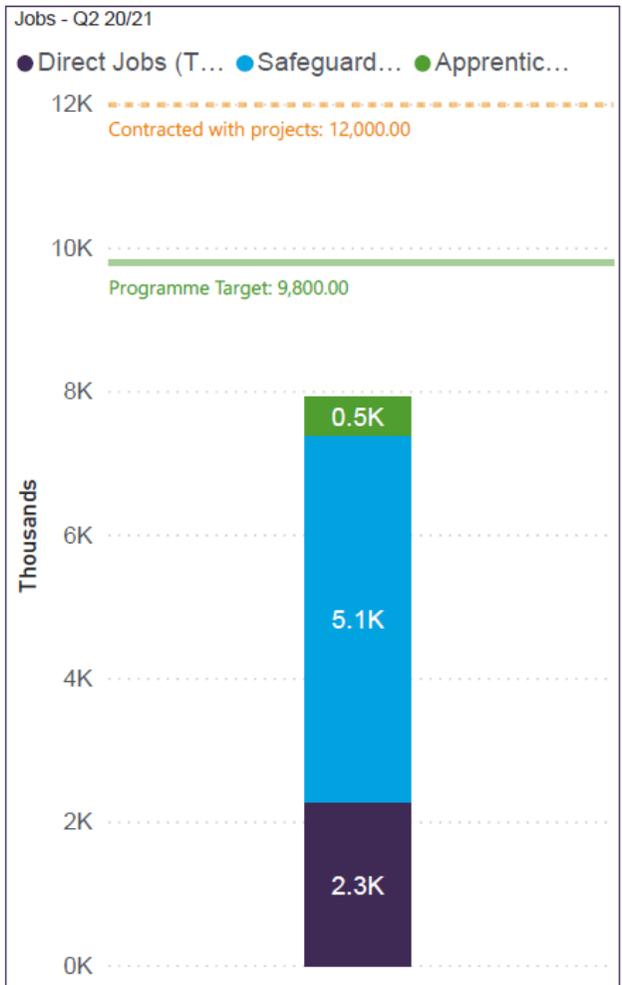
LGF (All) Outputs - to end of Q2 2020/21 - October 2020

Outputs achieved to date

Match Funding
£357M

Jobs
7.94K

Houses
1.71K



Programme Commentary

- The quarter 2 dashboards are showing an improved RAG status across projects still in delivery. All projects are continuing to make progress towards completion, although as previously reported, some schemes will not be complete until FY 21/22.
- With the exception of a couple of schemes, the majority of projects are still confident of delivering LGF spend in full before 31st March 2021. However, in the interests of robust programme management we will continue to make contingency for additional slippage (e.g. in case of bad weather or a second pandemic spike) for as long as the Accountable Body are able to use capital switching freedoms and flexibilities to manage underspend. This has previously been agreed with BEIS but could be reversed if government prefers to recall unclaimed LGF spend.
- Capital switching by the Accountable Body should therefore be considered a last resort and would also need to be agreed with them in advance. Projects will still need to demonstrate they are making significant progress over coming months and meeting their delivery milestones. Any concerns around progress could result in funding being clawed back by government and the programme delivery team will be keeping the programme under constant review over the remainder of the year.
- Output delivery over the longer term is still being monitored in terms of COVID impact. Projects will continue to be monitored against their contracted output delivery profiles until sufficient evidence is presented to warrant consideration of adjustment and sponsors should continue to manage their projects to ensure full scheme delivery.
- A project summary is provided at **Appendix 1**, outlining the position to the end of Q2 (30th September). Additional commentary in relation to specific projects is provided in the Risk Management section below.

Risk Management

Project	Delivery concern	Comments	Action
Brough Relief Road Sponsor: East Riding of Yorkshire Council	Project Spend	<p>A project review meeting was held with the sponsor on 13th October to discuss delivery concerns.</p> <p>Tendering is now complete and the contract awarded, though the delay has meant that start on site will now be mid November with physical completion by mid 2021.</p> <p>The sponsor anticipates no issues defraying LGF spend before March (assuming no further extreme weather events or extensive lockdown) and suggests that works will be sufficiently advanced to achieving the majority of the outputs by this point too.</p>	Ongoing monitoring by programme delivery team.
Priory Park Sponsor: Hull City Council	Project Spend	<p>No new risks have been identified and the scheme is still expecting to defray LGF in full this FY, though site and ground investigations continue and the concept design has still to be finalised.</p>	Ongoing monitoring by programme delivery team.
Stoneferry Road Sponsor: Hull City Council	Project Spend	<p>Spend this quarter has been significantly less than forecast, due to current design works being undertaken under variation to the original works meaning that payment cannot be released until 100% completion. The sponsor has indicated that spend will increase significantly in quarters 3 & 4.</p> <p>However the overall completion date for the scheme has been deferred to end July 2021, due to a request by HCC to incorporate additional works. This raises some concern around slippage and will result in a further delay in achieving outputs.</p>	<p>Project Review meeting to be convened to discuss delivery concerns</p> <p>Ongoing monitoring by programme delivery team.</p>

Risk Management

Project	Delivery Concern	Comments	Action
Stallingborough Strategic Employment Site (Phase 1b) Sponsor: North East Lincolnshire Council	Project completion / outputs	NELC has communicated with the landowners of the outstanding land for assembly with a final offer and the LA's CPO advisor is now in discussion with the landowner's agent to reach an agreement on price. If an agreement can't be reached, formal approval to start a CPO process is expected to be obtained at a Cabinet meeting in December.	Project Sponsor to continue to update CPO action plan and keep the LEP informed of any developments with the process. Ongoing monitoring by programme delivery team.
Central Cleethorpes Sponsor: North East Lincolnshire Council	Project Spend	A project review meeting was held with the sponsor on 13 th October to discuss delivery concerns. Elements of the scheme are contracted and underway or about to start but the full project will not be completed until 2022. LGF has been accelerated in advance of other match in order to achieve maximum LGF spend in 20/21, although some slippage is expected. It has not been possible to determine exactly how much this is likely to be but it is currently estimated to be <£100k.	Ongoing monitoring by programme delivery team.
Lincolnshire Lakes – Flood alleviation works Sponsor: North Lincolnshire Council	Outputs	Although the scheme is now physically complete, full project completion is dependent on the achieving of outputs (primarily jobs, houses and private sector leverage) linked to development of the wider Lincolnshire Lakes scheme. The sponsor has reported positive discussions with a potential developer and is expecting to be able to provide further info at Q3.	Ongoing monitoring by programme delivery team.