

Growth Deal programme report

LEP Board
Friday 19th March

Paper G

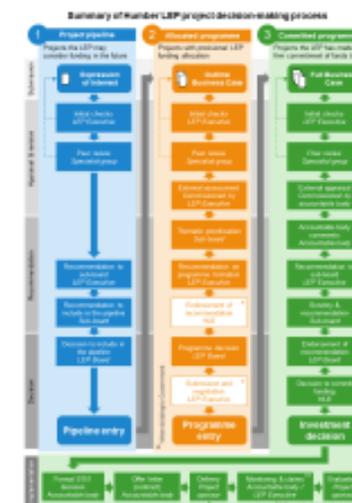
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	Updates	Decisions
Project pipeline		
Allocated programme		
Committed programme	✓	

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

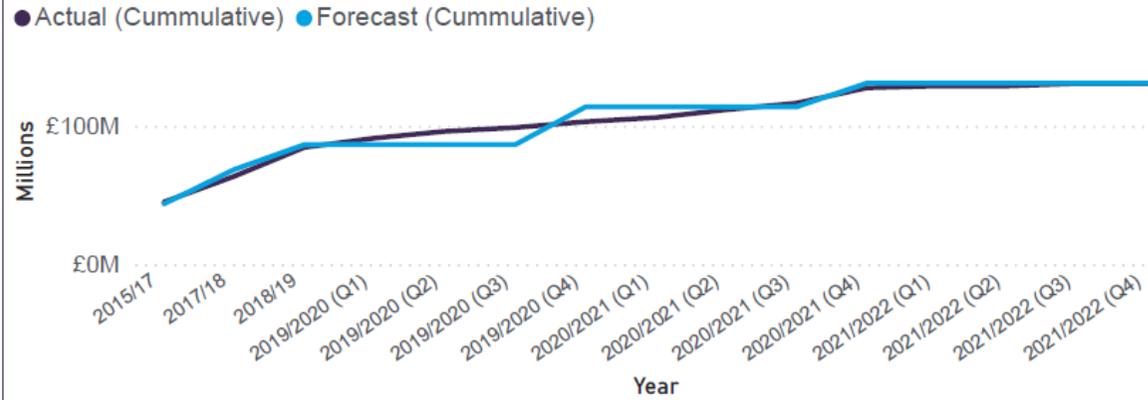
* See <http://www.humberlep.org/assurance/project-decision-making-process/> for details

Spend Dashboard – Q3

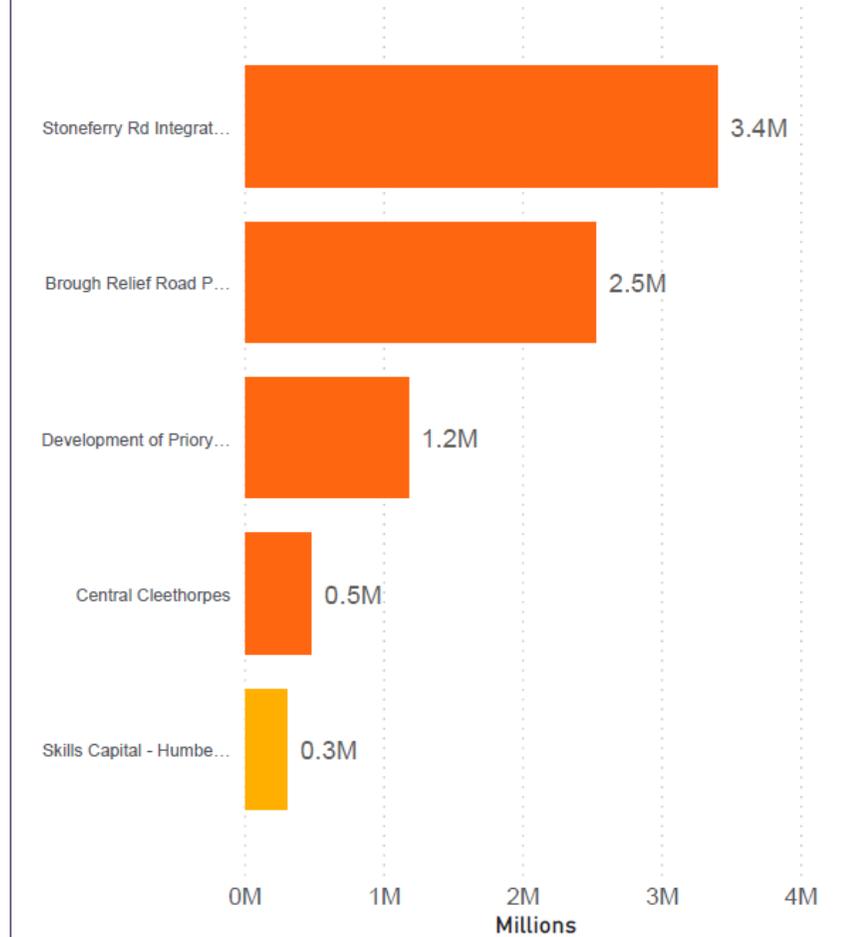
Growth Deal programme spend status overview - to end Q3 2020/21
January 2021

Total LGF	Spent	Profiled	Unallocated	Projects	Completed	In Delivery	In Appraisal
£131.7M	£117.2M	£14.5M	£0	54	41	13	0

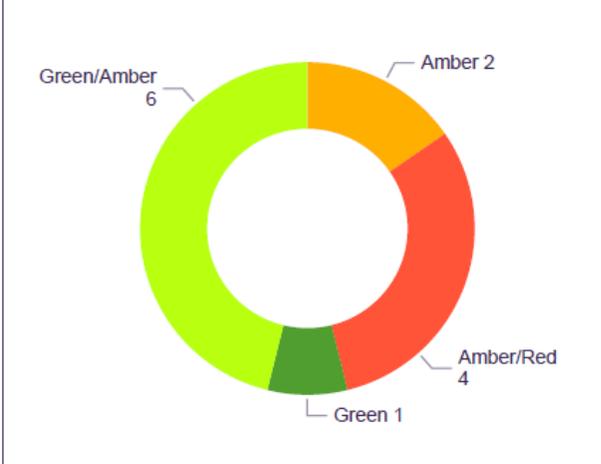
LGF Spend - Actual (Cummulative) and Forecast (Cummulative) (Q3 20/21)



Remaining LGF Spend (Amber/Red RAG rated Projects)



Number of Projects by RAG (Q3 20/21)



Remaining spend by RAG status (Q3 20/21)



Outputs Dashboard – Q3

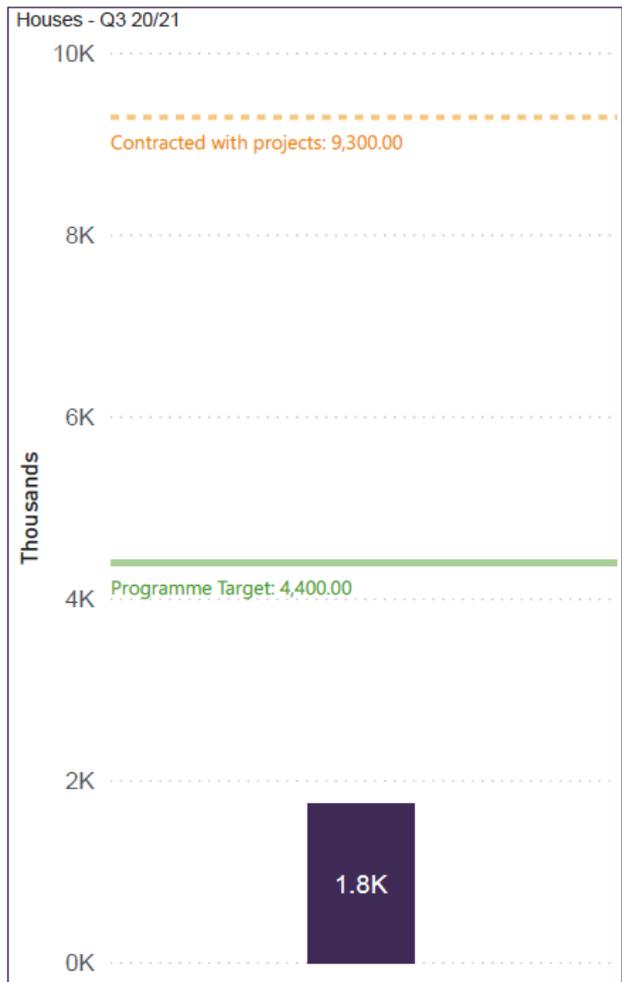
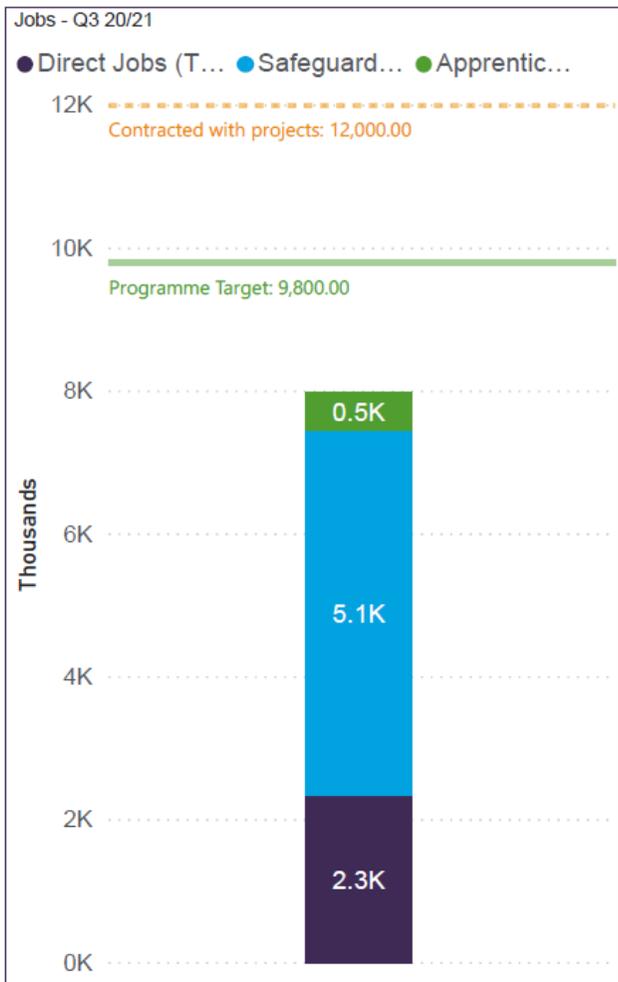
LGF (All) Outputs - to end of Q3 2020/21 - January 2021

Outputs achieved to date

Match Funding
£372M

Jobs
7.99K

Houses
1.75K



Programme Commentary

- The Quarter 3 claims have now been received and processed and have provided the programme delivery team with a more accurate picture of likely slippage of spend into the next financial year.
- The programme is currently likely to carry forward an underspend of around 4m, the majority of which will come from three projects in Hull and East Yorkshire; Stoneferry Road (£1.8m), Brough Relief Rd (£1m) and Development of Priory Park (0.9m). However, this currently still falls within the provision made for slippage within the programme and the Accountable Body has agreed to use capital switching freedoms and flexibilities to manage underspend. This was most recently confirmed at the LEP's Annual Performance Review with BEIS.
- The programme team is working closely with projects still in delivery to make sure adequate systems are in place to avoid further slippage and to agree capital switching with the Accountable Body on a case by case basis.
- The ongoing impact of COVID on output delivery remains uncertain but for the time being projects continue to be monitored against their contracted output delivery profiles. No requests to amend overall output targets against evidence of non-deliverability have been received from sponsors, although it is recognised that output delivery may take longer than previously profiled.
- With the new LEP arrangements in place, it is expected there will be some programme adjustment to reflect the revised geographies and there are ongoing discussions with Greater Lincolnshire LEP around the ongoing monitoring of projects in the areas transitioning to their governance.

Risk Management

Project	Delivery concern	Comments	Action
Brough Relief Road Sponsor: East Riding of Yorkshire Council	Project Spend	The project is now on site and the scheme is expected to be physically complete in September 2021. The Q3 claim suggests that approx. £0.5m LGF will now be defrayed in FY21/22, however, the programme delivery team has now been advised that the amount of slippage is now likely to be closer to £1m	Ongoing monitoring by programme delivery team to ensure that appropriate systems are in place to avoid further slippage.
Priory Park Sponsor: Hull City Council	Project Spend	Additional carriageway works have been identified as an essential requirement, causing further delays to delivery. £0.9m likely to slip into FY21/22.	Sponsor to provide a revised cost profile. Ongoing monitoring by programme delivery team.
Stoneferry Road Sponsor: Hull City Council	Project Spend	The project is experiencing delays to statutory works and deliveries due to COVID. There have also been additions made to the scope of the project, with additional funding put in place to deliver new elements. The full LGF commitment will not now be defrayed until 31/05/2021 with the physical completion of the project following by 31/03/2022. £1.8m will be slipped into FY21/22	Sponsor to provide a revised cost profile. Ongoing monitoring by programme delivery team.
Stallingborough Strategic Employment Site (Phase 1b) Sponsor: North East Lincolnshire Council	Project completion / outputs	A Cabinet decision to start CPO has been agreed and the process will therefore commence shortly. It is hoped that the landowner will be persuaded to settle.	Sponsor to provide key CPO milestones once defined. Ongoing monitoring by programme delivery team.

Risk Management

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Central Cleethorpes Sponsor: North East Lincolnshire Council	Project Spend	The Q3 claim was significantly lower than originally profiled, although the full LGF allocation was still profiled to be defrayed by the end of March 2021.	Formal letter submitted to project sponsor requesting an updated action plan for delivering the remaining spend / accounting for slippage to be provided with February update. Ongoing monitoring by programme delivery team.
Hempholme and Wilfolme Pumping Stations Sponsor: East Riding of Yorkshire Council	Project completion	The project has now claimed all LGF monies and the necessary additional match funding was secured from the Environment Agency to resolve the gantry equipment issues. It is understood that installation recommenced in January, although we await clarification whether recent weather events may have caused further disruption.	Ongoing monitoring by programme delivery team.
Lincolnshire Lakes Sponsor: North Lincolnshire Council	Output delivery	The monthly update received 15 th February has highlighted a new development. NLC has been notified by Homes England that they have appointed receivers to deal with the outstanding debt of one of the two developer investors. The developer has been considered a distressed investor by Homes England since 2018 when they were made aware the developer was looking to sell their scheme. Attempts to find a buyer/alternative investor have not yet been successful.	Ongoing monitoring by programme delivery team.