



Appraisal and Report on the Site Assembly Business Plan

Introduction.

The Site Assembly Strand has been an integral part of the Green Port Growth Programme since its inception. Some funding was earmarked for property and site assembly but was not part of an integrated business plan.

The document appraised pulled all current and proposed activities together into one coherent business plan that covers off the sites included in the initial strategy, such as a cluster of sites that make up the East Hull Energy Corridor the Enterprise Zones and the surrounding larger East Riding sites such as Paull and BA at Brough.

The site assembly and property business case was originally appraised by Regeneris as part of the programme's Green Book Appraisal process; the enclosed appraisal form now completes and approves the business plan for agreement by the board.

The majority of the sites identified in this plan will be brought forward as ERDF supported projects, bringing forward significant levels of private sector investment and some additional public sector funding such as local authority and HCA funds.

To allow the sites to be developed prior to ERDF approval, RGF funding is required as set out in table 1.

Project Activity

1. The programme of works will provide build ready serviced sites to the market in close proximity to Green Port Hull in order to facilitate wider private sector investment in the form of end user buildings.
2. Following site investigation work on the Paull site, it will create a suitable vehicle to deliver the required site infrastructure within the necessary timescales in order to secure Tier 1 suppliers.
3. Develop a strong working relationship with Bridgehouse (Bradford IOM) Limited who are the new site owners of the Brough Enterprise Zone site to ensure issues and site constraints are identified and dealt with at the earliest opportunity.

Table1.
RGF Costs by site

| | 2012/13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | Total |
|-------------------------------|-----------------|-----------------|---------|---------|---------|-----------------|
| Green Port Hull | | £75,000 | | | | £75,000 |
| East Hull Enterprise Village | £7,489 | | | | | £7,489 |
| Wyke Works | | £20,000 | | | | £20,000 |
| Centre for Digital Innovation | | £120,989 | | | | £120,989 |
| Paull | £205,000 | £245,000 | | | | £450,000 |
| | | | | | | |
| Total | £212,489 | £460,989 | | | | £673,478 |

Some cost have already been paid under the previous board approval in 2012/13 the remaining cost to be paid from RGF will be Circa £489,555.

Future year's expenditure will be monitored and appraised in line with ERDF and RGF future funding.



GREEN PORT GROWTH REGIONAL GROWTH FUND PROGRAMME – Site Assembly Strand

Assessment Scale:

- High – Explicitly meets the criteria and provides evidence of relevant consultation/independent research to back up assumptions/need
- Intermediate – meets the criteria in general terms and provides some anecdotal evidence to back up assumptions/need
- Low – provides little or no evidence of alignment, need or relevance or missing/insufficient/incomplete information

| Criteria | Expected Standards | Assessment | Comments |
|--|--|------------|--|
| Project Rationale | | | |
| 1. Strategic Alignment | | | |
| 1A. Does the project demonstrate clear strategic alignment with the priorities of the Green Port Growth programme? | The project applicant should show in the business plan a clear understanding of the Green Port Growth Programme’s strategic purpose. Projects should clearly demonstrate evidence of appropriate research and discussions with the strategic partners (Hull & East Riding Councils). | High | <ul style="list-style-type: none"> • 1a there is clear strategic alignment with the Greenport Growth Programme, with Site Assembly forming one of the six key strands of the integrated programme. • 1b there is a clear link between the GPG programme with both the main OEM and supply chain companies. • 1c all the sites will be developed by private sector companies and include sustainable private sector employment |
| 1B. Does the project strategically link to the objectives and actions of the Green Port Growth programme? | Project applicants should demonstrate the practical nature of the strategic fit. | High | |
| 1C. Does the business plan demonstrate how the project helps to deliver the | A Project will need to clearly articulate the how it will support sustainable private | High | |



| Criteria | Expected Standards | Assessment | Comments |
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| priorities of the Green Port Growth programme? | sector employment in the offshore wind renewables sectors? | | |
| 2. Investor Demand (Evidence of Need) | | | |
| 2A. Does the project demonstrate a clear link to the known and foreseen demands of new investors? | There should be evidence that the project is informed by the Siemens & supply chain major investor key account management activity led by Hull City Council, supported by East Riding of Yorkshire Council. | High | <ul style="list-style-type: none"> It is clear that the business plans have responded to identified needs in the recent employment land study completed by DTZ, as well as through consultation with Siemens regarding their supply chain needs. The business plan has provided the strategy for providing sites ready for the supply chain in conjunction with ERDF 2b the BP also is now targeted at the demand for sites for the off shore wind sector 2c the business plan does now fully aligns with the Green Port programme. The timing for the project is linked to the Siemens decision and the BP now provides infrastructure, environmental planning and site development to allow for fully developed and ready to develop sites when the decision is made. |
| 2B. Is the project Offshore Wind Renewables Sector demand led? | The activity must not be supply led. It should be apparent that activity is new and not an extension of any existing provision that has been repackaged. | High | |
| 2C. Does the project fully align with the evolving demand led Green Port programme, managed by the Hull & East Riding Development Team? | The Delivery team meets on a weekly basis, there will need to be clear evidence that the project | High | |
| 2D. Does the timing of the project align with the project plan and work streams led by Hull & East Riding's Joint Development Team? | If the project is for capacity building in anticipation of demand, is there clear evidence of consultation and endorsement by the Joint Development Team (project team)? | High | |
| 3. Market Failure | | | |
| 3A. Does the project have a clearly articulated, logical market failure | Projects should identify that the market failure is being addressed or that they are | High | <ul style="list-style-type: none"> 3a the market failure arguments set out a relatively clear overview of the key issues being addressed and these make |

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| argument? | adding value. | | reference to established market failure arguments. |
| 3B. Is the market failure argument supported by evidence and/or statistics? | Independent research should be used to support the market failure argument – what evidence has been provided? | High | <ul style="list-style-type: none"> • 3b evidence to demonstrate that the sites and premises developments would not go ahead (or would not go ahead within the required timeframe for renewables sector development), without public funding has been demonstrated which the approval of ERDF and planning for some of the sites underlines. • 3c Overall, the rationale set out in the business plans points to the need and justification for the use of public funding. |
| 3C. Does the project justify use of public money? | Public money should only be used where there is a clear need. What is the evidence to support the need? | High | |
| 3D. Would the project go ahead without public money? | Where is the additionality? What evidence is there that the project is seeking funding for additional activity which would not take place without the funding? | High | |
| Project Delivery | | | |
| 4. Project Management & Organisation | | | |
| 4A. Does the project have clear aims and objectives? | The aims and objectives of the project need to be crystal clear – they should provide a specification for what the project will do. The aims will need to relate to the strategic nature of the programme (as above) | Intermediate | <ul style="list-style-type: none"> • 4a The Site Assembly Strand aims to bring forward employment sites in close proximity to the Green Port investment, meeting the needs of the offshore wind renewable energy sector which is 'land hungry'. • Strategic alignment across all six strands however would be strengthened by a clearer statement of programme aims and objectives in the Delivery Plan that can filter through to each business plan. |
| 4B. Project Delivery Costs – are they clear and transparent? | Are there any overhead costs? Are these realistic and at an appropriate level there should be clear calculations? | Intermediate | <ul style="list-style-type: none"> • 4b all overhead cost for staff time are being absorbed by ERYC and HCC core funding, all items of expenditure are specific to development costs. |

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| | Is all relevant information available is the table complete? Is any income arising from the project accounted for? | | <ul style="list-style-type: none"> A special delivery vehicle is being prepared for the Paull site and any income will be dealt with via this vehicle |
| 4C. Does the business plan make clear what the project will do? | The project scope should be clear. there should be no doubt as to what the project will do (and what it won't do) | High | <ul style="list-style-type: none"> 4c This programme of works will provide oven ready serviced sites to the market in close proximity to Green Port Hull in order to facilitate wider private sector investment in the form of end user buildings. Following site investigation work on the Paull site, create a suitable vehicle to deliver the required site infrastructure within the necessary timescales in order to secure Tier 1 suppliers. Develop a strong working relationship with Bridgehouse (Bradford IOM) Limited who are the new site owners of the Brough Enterprise Zone site to ensure issues and site constraints are identified and dealt with at the earliest opportunity. |
| 4D. Options – have a full range of options been explored? | This should include a 'do nothing' option at a minimum with evidence | Intermediate | <ul style="list-style-type: none"> 4 d the master planning exercise which is being undertaken has proved the options for site assembly it has assessed the key assumptions across the North Bank and the BP now aligns with the needs of the sector. There is still no do nothing option as it is felt we cannot just do nothing. |
| 4E. How is the project organised? Who are the partners and who is responsible for what? | Track record of delivery is important for both the lead partners and delivery partners. | High | <ul style="list-style-type: none"> 4e The Green Port Growth team is now established and the structure has been approved by BIS and DCLG. The private sector developers who are already on board have a good delivery track record. |
| 4F. Governance | Does the project have appropriate | High | <ul style="list-style-type: none"> An overview of management and governance arrangements |

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| | governance arrangements in place? Is there a clear project and management and decision making process that is appropriate to the scheme? | | now exists across all strands and a central governance process has been established with the agreed terms and conditions for the management of the project board |
| 4G. Does the business plan make clear who the beneficiaries are? | There should be no doubt who the beneficiaries are and it should be clear from the description that they are eligible | Intermediate | <ul style="list-style-type: none"> The specific sites are now highlighted in detail in the business plan showing the developer and the strategic fit for the site in the master plan however some are still to be allocated to specific uses and developers. |
| 4H. Are the outputs relevant? | Evidence should be provided as to how the figures have been calculated. | Intermediate | <ul style="list-style-type: none"> The output numbers look broadly sensible; however there is not a clear rationale for the calculation of these figures, the breakdown of individual sites shows there contribute to these outputs. The job outputs are shown but may be altered to more align with ERDF and RGF4 applications. Further consideration also needs to be given to the way that output and outcome targets are measured across the programme, to ensure that what is measured meets RGF indicator criteria, and avoids double counting across strands. |
| 4I. Risk – has the applicant considered risks to the project? | Is there evidence of a thorough risk assessment with mitigating actions? | High | <ul style="list-style-type: none"> The risk assessment tables are a separate paper to the business plans and are up dated on a quarterly basis |
| 4J. Does the project have an exit strategy? | There should be a credible exit strategy that should describe what will occur when | Intermediate | <ul style="list-style-type: none"> All site should be in private ownership by the end of the programme. |
| 5. Eligibility | | | |
| 5A. Is the activity eligible? | Sufficient evidence must be provided to the Board so an informed opinion can be given – there should be evidence of | Intermediate | <ul style="list-style-type: none"> 5a Full consultation on the sites is taking place and Local Development Orders are being sought on the major sites details on the occupation of some of the site will not be |

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| | relevant and effective consultation and that partners will be involved in delivery where possible | | known until further decision are made. |
| 5B. Does the project provide local benefit? | Information at a minimum should include types of cost and activity identified and likely beneficiaries including their locations. | High | <ul style="list-style-type: none"> The site assembly activities are clearly eligible. Each site will be subject to full investigation for State Aid on an individual basis depending on the use and developer. 5b it is clear that the site assembly strand activity would deliver local benefit. |
| Impacts | | | |
| 6. Value for money | | | |
| 6A. Does the project add value | What evidence of calculations is there of, for example, new jobs created or safeguarded; GVA or other metrics? | Intermediate | <ul style="list-style-type: none"> 6aThe site assembly strand will not directly have any outputs for Jobs, the Inward Investment strand will provide the relevant jobs included in the RGF offer letter. |
| 6B. Do the outputs look reasonable given the funding level, geography and delivery model etc.? | There are no direct jobs as outputs from these projects but the Level of leverage for private sector involvement is very high | Intermediate | <ul style="list-style-type: none"> |
| Cross Cutting Assessment | | | |
| 7. Local benefit | Does the project clearly identify how it will provide local benefit within the defined programme geographic area? | Intermediate | <ul style="list-style-type: none"> It is clear that the site assembly strand activity would deliver local benefit, however more information could be provided on the types of company who might be expected to occupy the site eg expected size / type / sub-sector of businesses. |
| 8. Investor Demand | Does the project clearly identify how it will contribute to the requirements of | Intermediate | <ul style="list-style-type: none"> It is clear that the business plan has responded to identified needs in the DTZ employment land study as well as through |



| Criteria | Expected Standards | Assessment | Comments |
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| | new major investors in the Offshore Wind Renewables Sector? | | consultation with Siemens, and will be directed by the Master Planning exercise being undertaken, the final user of these sites will be determined after any decision by Siemens. |
| 9. Equalities | What impact Is the project likely to have in terms of equalities? Has this impact and its mitigation been identified in the business plan? | High | <ul style="list-style-type: none"> • Equalities will be supported by ensuring beneficiaries have equality and diversity policies in place and supporting buildings that are DDA compliant. • Environmental issues will be supported by ensuring buildings reach a BREEM very good rating at the least. It would be sensible for a co-ordinated approach to equalities and environmental issues to be developed across all Programme strands to ensure consistency in what the Programme as a whole delivers. |
| 10. Environment | Does the project business plan make reference to any likely environmental impacts that may arise as a result of the project? Does the business plan articulate how these may be mitigated? What is the evidence? | High | |