



**GREENPORT GROWTH
RGF PROGRAMME
2011-2018**

YEAR ONE DELIVERY PLAN

May 2012\13

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1 Introduction

1.1 Greenport Growth is a sector-focused private/public partnership programme capitalising on offshore wind renewables investments in Hull

Siemens Off-shore Wind, recognising its potential capabilities and locational advantage, have announced ABP's Green Port Hull facility as the preferred site for the manufacture and load-out of a new generation of wind-turbines. The potential of the offshore wind industry investments at Greenport, Hull are the most significant the city has seen in many generations. This is the first time a new sector has developed in the UK economy for 40 years.

The Greenport Growth programme's aim is to capitalise on this OEM (original equipment manufacturer) investment by securing a local co-located value chain and establishing Hull and Humber as a world class centre for renewable energy.



It will create at least 1330 direct new jobs primarily in the offshore wind industry and help local people take advantage of the opportunities, ensuring Hull is an attractive location to live and work.

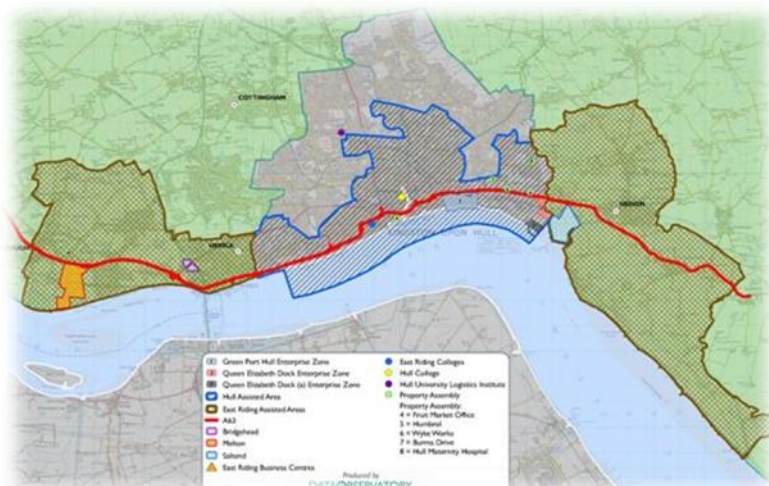
The City now has the opportunity to become the UK's 'Aberdeen of the 21st century', providing the perfect opportunity to fashion a new model of locally-driven growth.

Working as a private sector-driven partnership, the Green Port Growth Programme presents a clear and overarching strategy to capitalise on these opportunities.

1.2 The Geographical Focus of the Programme

The geographic focus of the activity will be Hull and the East Riding Local Authority areas but predominantly the Hull Travel to Work area, with a particular focus on its Tier 2 assisted areas.

Most of the physical development will be focused around Alexandra Dock



creating a co-located supply chain that is adjacent to Green Port Hull. However, sites have also been identified along the M62/A63 logistics corridor for companies where quick access to the national motorway network is a greater benefit.

1.3 What the Green Port Growth Programme Will Achieve and How

The programme delivery is based around six clearly defined strands of activity that come together to make up a comprehensive tool kit to attract new investment and increase the economic activity of the local area:

1. Skills Development –apprenticeships, upskilling & specialist skills training.
2. Business Support & Advice – helping local businesses to diversify and enter the co-located value chain
3. Site Assembly – provision of appropriate and suitable employment sites
4. Inward Investment – proactive targeted overseas visits and trade missions
5. Business Investment Grants – lowering the relocation and expansion costs for co-located value chain companies
6. R&D and innovation embedding knowledge for regeneration and wind farm key industries



2 Governance

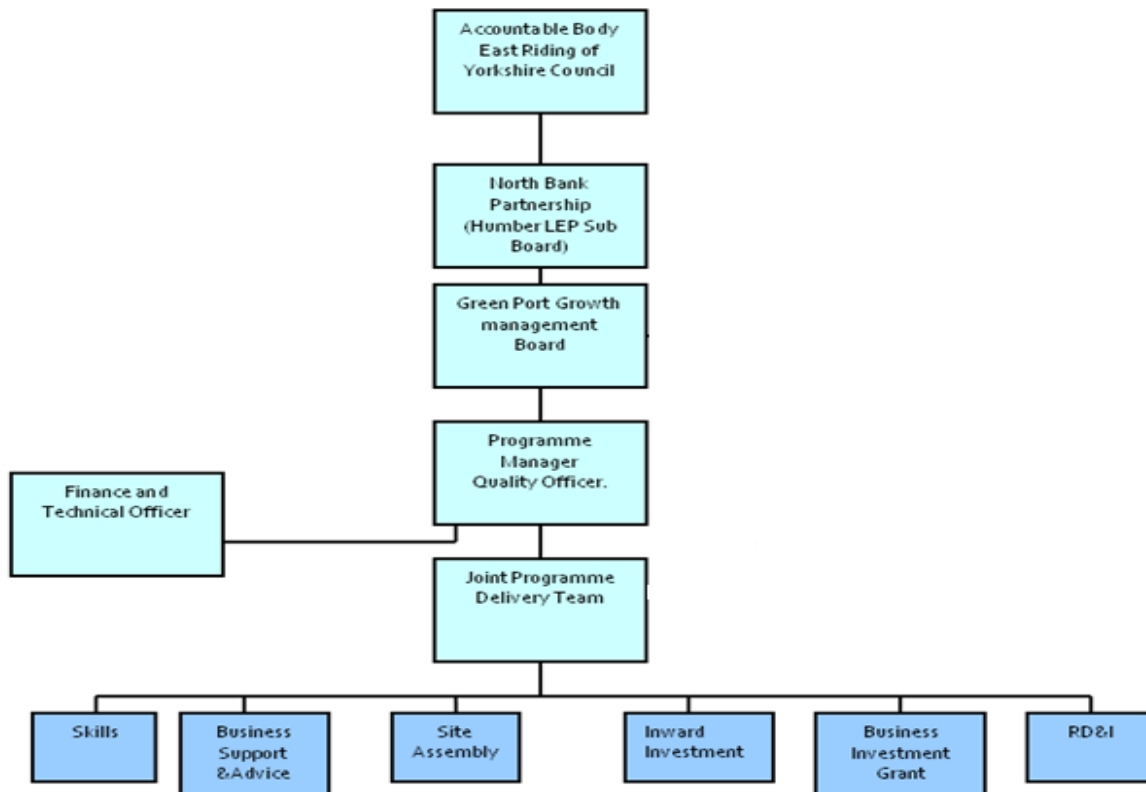
2.1 Governance Arrangements

The Accountable body for the programme will be the East Riding of Yorkshire Council with the following structure to manage the programme shown on the organogram below. There will also be an overarching agreement between the two local authorities and individual service level agreements between the ERYC as the accountable body and each of the delivery strands.

2.2 Delivery in Partnership

This Programme will be delivered in partnership by Hull and East Riding Councils. Both Councils will sign up to a partnership agreement which details how the risk share associated with the programme and the wider strategic approach. Delivery risk is taken account of through individual SLAs with each delivery strand.

2.3 Governance Structure



2.4 Green Port Growth Management Board

Will provide the strategic direction and leadership needed to make decisions about the deployment of resources from the Green Port Growth Programme across the six identified strands and will meet on a monthly basis for the first year. The Board will agree terms of reference with both the authorities. The board has no corporate or legal power but any decisions agreed by the board will be binding on members of the Green Port Growth team as long as the programme will meet its contractual commitments to BIS and is compliant with all

current legislation.

Members of the Programme Management Board are:

- Mr T Rix, J.R Rix & Son & North Bank Partnership representative (Board Chair)
- Alan Menzies, East Riding of Yorkshire Council – Accountable Body
- Mark Jones, Hull City Council – Key Account Manager
- Matt Jukes, Associated British Ports.
- Bill Walker, University of Hull

The Green Port Growth Programme Management Board will:

- Provide the strategic direction and leadership needed to make decisions about the deployment of resources from the Green Port Growth Programme across the six identified strands.
- Identify other local opportunities that stimulate private sector growth as they may arise within the context of the development of the wider renewables industry and divert programme resources appropriately.
- Provide the overall management of the programme, ensuring it achieves its outcomes.
- Approve projects ensuring they contribute to the programme and represent value for money in terms of the programme's job creation targets.

How The Green Port Growth Programme Management Board will operate.

Terms of Reference.

1. The Board will operate in a business-like, non-bureaucratic fashion. The board must at all times include a delegated officer from both East Riding of Yorkshire Council (ERYC) and Kingston upon Hull City Council (KHCC). The members of the board will be collectively responsible for any decisions made.
2. At its first meeting, the Programme Management Board will select a chair, the chairmanship will run for 12 months and nomination for a new chair will then be taken. No person can be chair for more than 2 terms. The chair will have the casting vote on any tied vote.
3. Meetings will be held at least monthly but more, frequently as circumstances arise within the life of the programme. The Secretariat will be provided by the ERYC Green Port Growth Governance Team. Meetings will be held in Beverley at ERYC offices. Meeting may be held in alternative venues as long as agreed by all board members. Notice of meeting with agendas and minutes must be circulated 7 days before any meetings and any additional items for the agenda must be notified to ERYC no later than 24 hours before the meeting.
4. The normal duration of meetings will be two hours maximum. Meetings can be extended in agreement with the chair and approval by a majority of the board members.
5. Board members with personal, commercial or financial interests in any agenda items will declare them at the relevant points on the agenda and not participate in

discussions or be allowed to vote on those items. The board member will be expected to leave the meeting for the duration of the discussion.

6. Where a vote is required, this will be through a simple majority with a casting vote for the Chair. All votes and results must be recorded in the minutes and agreed by all board members.
7. The quorum for meetings shall be 5 Board members.
8. Board meetings are confined to Board members and the secretariat except for external presenters and observers which have been agreed with the Chair in advance.
9. The Board can invite attendees or co-opt additional members as it sees fit. Names of prospective new members must be circulated no later than 48 hours before the meeting is to be held. Any new member must have the approval of all the board members. The board must not exceed 7 members at any one time.
10. Urgent decisions required from the Board may be taken by electronic communication in between meetings, with the same requirements for quorum and declarations of interest as above. Any electronic decisions made will be recorded in the minutes and the minute is to be agreed at the next possible meeting.
11. All actions by the board must comply with all applicable regulations and UK and European law. Any decisions that appear to be in breach of any legislation must be agreed by the ERYC legal team.
- 12 The board has no corporate or legal power but any decisions agreed by the board will be binding on members of the Green Port Growth Delivery Team as long as the programme will still achieve its contractual commitments to BIS.
- 13 The board will have a finite life and will be disbanded upon completion of the GPGP in 2020.

The Programme Management Board meets monthly. Dates for 2012 are:

- Wednesday 27 June
- Wednesday 25 July
- Wednesday 22 August
- Wednesday 19 September
- Wednesday 24 October
- Thursday 22 November
- Wednesday 12 December

2.5 Programme Delivery Team.

The programme delivery team comprising of all the strand leaders meets each month to analyse progress and to make sure all the leads are up to date on all the overarching programme matters. It will also update the programme on outputs and the communication strategy.

The three heads of the programme for Hull and the East Riding Councils also meet on a regular basis to take an over view of the whole programme and confirm outputs and progress of strands.

Interim Programme Manager

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Marketing and communication

2.6 (1) Communication Plan

A separate detailed consultation plan provides information on the programme and strand marketing and promotional strategies. Staged news releases and individual Strand advertisements for targeted areas of development will be implemented centrally in accordance with a detailed communication plan. All press releases will be in line with template wording issued by BIS press office.

2.6 (2) Marketing

The majority of beneficiaries will be identified through the business support and inward investment strands as both these strands provide an initial interface with business. The strands will adopt a pro-active approach to working with both local companies and potential investors highlighting the opportunities available through the toolkit of interventions that the programme provides.

2.7 Procurement

Each strand of the programme is led by either Hull City Council or East Riding of Yorkshire Council. As public sector bodies, both Councils employ rigorous procurement processes which, although they slightly differ from each other, both systems fully comply with European

and HM Treasury regulation on tendering and procurement. Wherever possible an existing legally tendered framework contract will be used, including the Governments own tendering framework.

Each strand will procure its activity separately to meet its individual needs. Table one explains this process:

Procurement

Skills Strand lead Bob Ferriby	Procurement
Skills – Engineering Apprenticeships.	There is no procurement by the council employers will use the training provider of their choice. All training providers will be contracted to the National Skills Partnership
Skills – upskilling	There is no procurement by the council employers will use the training provider of their choice. All training providers will be contracted to the National Skills Partnership
Advanced trading provision	There is no procurement by the council employers will use the training provider of their choice. All training providers will be contracted to the National Skills Partnership
Inward Investment lead Helen Stinson	All activity will be procured in line with Hull City Council’s usual procurement processes on a case by case basis.
Site Assembly lead Chris ladley ERYC	All procurement will be in line with East Riding of Yorkshire Council’s & Hull City Council’s procurement policy which conforms to all European regulations.
Business Support lead Adrian Shaw ERYC	Delivery will be procured via a competitive tender exercise, which will offer qualified businesses / individuals the opportunity to become part of a framework delivery system
Business Investment Grants Richard Lowther HCC	All cases will be subject to a detailed appraisal to be undertaken by a qualified accountant. The appraisal will then be approved by HCC 151 officer.
Research, Development & Innovation lead, Malcolm Relp	All procurement will be in line with Kingston upon Hull and the University of Hull procurement policy.

2.8 Cross cutting themes and impacts

2.8.1 Local Benefit

Central to the development of the programme is the potential benefit that the Siemens investment will bring to the local area. All six strands have local benefit at their core.

It is important that the programme engages with businesses planning to enter the market, helping them to understand the industry and also engages with companies unaware of the sector, matching gaps in the local supply chain to the capabilities of local business.

The industry will potentially have the capacity to sustain thousands of jobs in the area but local workers must be skilled. The industry will need suitably skilled workers in both technical and commercial applications with many skills being required in other industries. It is imperative that the local workforce is appropriately skilled to meet the specific needs of the offshore wind renewables industry and its associated supply chain.

2.8.2 Investor Demand

The potential Siemens investment at Green Port Hull is the key driver for the programme. To truly gain the benefit from the investment, the supply chain must be encouraged to co-locate, thus creating new employment opportunities and further down the line supply opportunities. To remain demand driven the programme remains firmly focussed on the investor, in this case Siemens, thus guarding against supplier led interventions.

The Hull & East Riding Joint Development Team, led by Hull City Council, is working with Siemens on an ongoing basis to extract relevant information about both generic and specific skills requirements. The programme will ensure content of training is relevant to the needs of the employer and not supply driven.

Also, Siemens are introducing the team to potential tier 1 and tier 2 supply chain companies that could potentially co-locate. A master-planning process has been jointly commissioned by Siemens, Associated British Ports and Hull & East Riding Councils to establish what parts of the supply chain will co-locate and where.

It is also important that the programme retains some flexibility – the needs of the investor may change over the lifetime of the programme and it will be up to the Programme Management Board to ensure, where possible, investor demand is met. Strategic direction for the programme will be provided by the Programme Management Board who will be informed and advised on investor demands by the Joint Development Team.

2.8.3 Equalities

All residents, businesses, visitors and potential inward investors stand to gain from the successful implementation of this Programme. However, there is a danger of some more deprived parts of the area lagging behind in economic growth due to multiple layers of deprivation.

As a result, the regeneration of these areas, alongside the economic development of the area is key to ensuring that positive economic growth does not inadvertently widen inequality. The elements of the programme targeting enterprise support and job matching in deprived areas will be part of the mitigating activity, alongside existing regeneration activity

In addition, the focus on engineering skills, a traditionally male dominated area, may have a negative impact on the ability of women to engage with and benefit from the programme. An equality analysis, in line with the requirements of the Equality Act 2010 and the East Riding Equality Framework, will be carried out on all elements of the programme by each respective delivery lead as part of the appraisal process and actions identified to mitigate this and any other potential negative impacts. Providers will be encouraged to target courses at particular groups and inward investors will be invited to raise the awareness of opportunities to these groups as part of the investor support package.

2.8 4 Environment

The Green Port Growth programme is about creating a renewable energy centre of excellence in the Hull and East Riding areas, maximising the opportunity of the Green Port Hull development and Siemens investment and supply chain. The development of the renewables industry is central to Hull City Council's 'Green City' ambitions to be a leading European player in the industry.

The sectors supported by the programme include manufacturing and engineering which traditionally would have a negative impact on the natural environment but a positive one on social and economic outcomes.

The development of Green Port Hull has been subject to a significant consultation period with statutory consultees and interest groups including the Highways Agency, Natural England and the Ramblers Association, amongst others and an Environmental Impact Assessment has been completed as part of the Local Development Order.

The Delivery Plan enables a comprehensive integration of environmental considerations throughout the individual programme projects. The Plan will ensure that businesses benefiting from the Plan have a comprehensive understanding of their environmental impact and undertake necessary activity to improve performance and mitigate any negative impacts to ensure increased competitiveness and attractions to Tier 1 and 2 suppliers. The skills strand will deliver business environmental understanding so that future employees are as well equipped for delivering environmental improvements in businesses as they are to demonstrate responsible health and safety behaviour.

The R&D element will integrate key sustainable development principles and enable the development of next generation renewable energy engineering solutions to reduce costs, improve efficiency and ensure greater integration of renewables into the diversified national energy grid. The opening up of sites and investment grants to facilitate supply chain location will provide the necessary infrastructure to ensure the delivery of a low carbon economy in Hull and increase the resilience of sites to future technological developments in low carbon and SMART city development.

2.9 The Local Economy - Baseline Information

The sustainable benefit of the Green Port Growth programme will be measurable by a rise in the employment activity rate. A rise in this figure will indicate greater participation in employment by the local population.

There are many socio-economic indicators and factors that this programme will impact:

2.9.1 Employment and Unemployment – Economically Active People in employment (Oct 2010-Sept 2011 – source ONS)

	All People		Male	Female
Hull	113,200	62.4%	69.3%	55.2%
East Riding	168,600	78.3%	78.1%	68.9%

2.9.2 Claimant Count by Local Authority Area– March 2008-March 2012 (source ONS)

	Kingston upon Hull		East Riding of Yorkshire		Hull TTWA		Yorkshire & Humber	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Mar-08	8,046	4.5	3,430	1.6	9,665	3.3	80,576	2.4
Mar-09	13,610	7.6	7,027	3.3	17,171	5.8	148,373	4.3
Mar-10	14,889	8.2	7,139	3.4	18,304	6.2	159,964	4.6
Mar-11	13,901	7.7	6,629	3.1	17,047	5.7	151,070	4.4
Mar-12	15,431	8.5	7,393	3.5	19,005	6.4	169,859	4.9

2.9.3 Claimant count – Age (source ONS 10 May 2012)

	East Riding of Yorkshire		Kingston upon Hull	
	number	%	number	%
Aged under 17	10	0.1	5	0.0
Aged 17	25	0.3	50	0.3
Aged 18	350	4.7	525	3.4
Aged 19	420	5.7	815	5.3
Aged 20-24	1,595	21.7	3,375	21.9
Aged 25-29	865	11.8	2,265	14.7
Aged 30-34	620	8.4	1,680	10.9
Aged 35-39	665	9.0	1,630	10.6
Aged 40-44	715	9.7	1,535	10.0
Aged 45-49	780	10.6	1,405	9.1
Aged 50-54	630	8.6	1,085	7.1
Aged 55-59	525	7.1	850	5.5
Aged 60 and over	165	2.3	175	1.1
Totals	7,375	100.0	15,395	100.0

Rates for local authorities from 2011 onwards are calculated using the mid-2010 resident population aged 16-64.
Data rounded to nearest 5.

2.9.4 Qualifications (Jan 2010-Dec 2010)

	Kingston upon Hull		East Riding of Yorkshire		Y&H	GB
	(numbers)	(%)	(numbers)	(%)	(%)	(%)
NVQ 4 and above	35,800	20	64,800	31.1	26.4	31.3
NVQ 3 and above	72,700	40.6	112,800	54.2	47.4	51
NVQ 2 and above	102,300	57.2	147,600	70.9	64.2	67.3
NVQ 1 and above	129,200	72.3	177,700	85.4	79	80.2
Other qualifications	18,400	10.3	10,800	5.2	8.2	8.5
No qualifications	31,200	17.4	19,500	9.4	12.8	11.3

3 Risk

Managing Risk

Risk is to be monitored and managed on a monthly basis at the Delivery Team meetings.

Each project strand has an individual risk log which is monitored by the leading project manager, it is updated each month and this is then feed into the main programme risk log.

The programme operates an early warning system were by any risk that is high for more than a month is to be address by the team and mitigating action is detailed in an effort to reduce the risk.

The risk register appended is for the main programme as part of the year one Delivery Plan.

3.1 Risk assessment

Strand	Risk	Probability	Impact on the overall programme	Assessment	Mitigation	SRO	Assessment after mitigation
Whole Programme	Siemens decide not to come to Hull	Medium	High	Medium	Planning has now been approved and consultation with Siemens and APB is ongoing	All strands Hull CC APB	Medium
Business Support	Unwillingness of the renewables supply chain to consider new suppliers from the local area	Medium	High	Medium	Make sure all new companies are to the standard required by the OEM's	Business Support	Medium
	Unwillingness of the local businesses to participate in the programme	Low	Medium	Low	Target approach to companies and marketing of the programme	Business Support	Low
	Lack of credible expertise to deliver targeted support in the local area	High	Medium	Medium	Identify expertise from other sources and develop the local area expertise	Business Support	Medium
Inward investment	Master plan delivery does not achieve the results required	Medium	Medium	Medium	Strong business case and programme management already in place	ALL	Low
	Tier 1 and tier 2 suppliers locate outside the enterprise zone.	Low	Low	Low	Develop a professional offer for inward investment and publicise the benefits of EZ	Inward investment team	Low
Grants	The associated supply chain is imported from cheaper locations	Medium	High	Medium to High	Any transport and handling costs are likely to be higher than local delivery, working closely with OEM to smooth the supply chain	ALL	Medium
	Too high a take up on grants	Medium	Medium	Medium	Current negotiations with tier suppliers show some will be eligible for GBI funding	Grants team	Low
Skills	Inability to source skills in the local labour market leading to an influx of labour from other areas and countries.	Medium	Medium	Medium	The establishment of skills initiatives and web site design to assist local people to enter the labour market and show links to apprenticeships.	Grants team	Medium
Skills	Low take up of training	Low	High	Medium	A full marketing campaign will highlight the availability of the programme.	Business Support & Skills Team	Medium
	Lack of approved specialised training providers.	Low	High	Medium	Process to develop training partners, using and expanding on existing providers via procurement.	Skills team	Low
	Low take up of wage subsidies	Low	High	Medium			Low
Site assembly	Failure to provide serviced sites for new OEMs will prevent further expansion and the area will simply become an assembly site.	High	High	High	The Paull site is the only area large enough to take an OEM, the infrastructure costs are very high. Site investigations and a model to fund the project is being drawn up.	The Site Assembly team	High
R&D	Low take up of R&D. The proposals for R&D will be an important resource for companies in the supply chain and the tier 1 OEMs but would have a limited affect on the overall project delivery.	Low	Low	Low	The R&D facilities will be advertised by all the strands of the programme and the University will be marketing to all its known companies.	Inward investment team	Low

4 **Key programme elements**

4.1 **Aims and Objectives**

Skills & Training Development	
Delivery lead - Hull City Council	<p>Aims The project strand will increase the strength and depth of the engineering workforce and raise skills levels in preparation for an increased demand and churn of skilled workers that will arise as a result of the Siemens investment. 1000 jobs will be safeguarded in the engineering sector in the North Humber Bank area and 1000 upskilling qualifications will be achieved.</p> <p>Objectives <u>Apprenticeships – wage subsidy</u> 850 apprenticeship places will be created in the engineering sector in the North Humber Bank area and 850 Level 3 qualifications will be achieved. All apprenticeship frameworks will be advanced to NVQ level 3 or above. <u>Upskilling – Training Subsidy</u> By providing training subsidies to support the up-skilling of 1000 engineering sector employees the project will achieve</p> <ul style="list-style-type: none"> • 800 additional Level 3 qualifications. • 150 additional Level 4 qualifications. • 50 additional Level 5 qualifications. • And will ensure that 1000 jobs are safeguarded <p><u>Specialist Skills Training</u> To provide training subsidies to OEM's and Tier 1 suppliers to support specific skills training for 300 locally recruited employees and to safeguard 300 jobs by supporting specific skills training for 300 locally recruited employees by March 2018. <u>Wage Subsidies for Disadvantaged Groups</u> To provide wage subsidies to local private sector employers to support employment of 750 people from disadvantaged groups and to create 750 new jobs for people from disadvantaged groups by March 2018.</p>
Business Support & Advice	
Delivery lead - East Riding of Yorkshire Council	<p>Aims The business support provision is aimed at assisting local businesses to access the supply chains of OEMs and their associated suppliers as well as the development of other environmental technologies and will establish the Hull City Region as a rich source for accredited suppliers involved with the newly emerging global 'green industries'. The project will allow local business in Hull and East Riding to grow and take on more staff in sustainable jobs for the future. Helping business to hold the necessary management, administration and recognised accreditation is the ultimate aim to operate in world class manufacturing sector.</p> <p>Objectives This programme must enable local business in Hull & East Riding to grow and take-on more staff in sustainable jobs for the future. Whilst the renewables sector is the focus, the legacy of world-class manufacturing, holding the necessary management, administration and recognised accreditation, is the ultimate aim.</p>

	<p>The tangible outcomes are expected to be in the order of</p> <ul style="list-style-type: none"> • 650 businesses supported • 700 jobs created • 10% increase in GVA • 300 jobs safeguarded
Site Assembly	
<p>Delivery Lead - East Riding of Yorkshire Council</p>	<p>Aims</p> <p>Providing employment sites in close proximity to the Green Port investment is essential to the master planning process where the supply chain is identified and specifically targeted with sites designed to meet their needs. Several large employment sites have been identified in Hull and the East Riding that can be brought forward to meet investor requirements. The majority of these sites fall within the Enterprise Zone. The industry is 'land hungry' and specialist, therefore not appropriate for speculative build. ERDF funding is being utilised to bring these sites forward.</p>
	<p>Objectives</p> <ul style="list-style-type: none"> • To address the issues associated with contaminated and derelict sites • To raise land values in the City. • To attract major renewable energy inward investment projects to Hull • To facilitate opportunities for local businesses to supply Siemens and their suppliers. • To maximise the opportunities associated with Green Port Hull.
Inward Investment	
<p>Delivery Lead - Hull City Council with Hull & Humber Chamber of Commerce Industry & Shipping;</p>	<p>Aims</p> <p>To provide a co-ordinated and proactive inward investment campaign lead by the local authorities to attract at least three tier 1 & 2 businesses to Hull and ER. To utilise these key investments to attract additional investment in the wider economy through linked trade mission from the local business sector. This will be delivered through the development of professional marketing material to sell 'the Green Port Hull offer'.</p>
	<p><u>Objectives</u></p> <p>The primary aim of the programme is to ensure the Siemens supply chain co-locates to the Hull & East Riding area and ensuring local people and businesses can take advantage of the opportunities associated with this. The inward investment strand provides the vital key account management function, the direct contact with Siemens and their Tier 1 suppliers. Activities will include a master-planning exercise in conjunction with Siemens to ensure that the right companies are targeted and their individual needs can be met. There will be pro-active overseas visits and inward missions providing opportunity for local business to engage with larger suppliers and vice versa. As the strand is primarily engaged in promotional and marketing activities, it will include the production of marketing material including an RGF funded 'toolkit'. Coordinated marketing activity will be the remit of this strand. The success of this strand is heavily dependent on the availability of suitable employment sites, comprehensive business support, investment grants, research and innovation support along with the availability of a skilled workforce.</p>

Business Investment Grants	
Delivery lead - Hull City Council	<p><u>Aims</u> By creating a local capital investment scheme, the area will have a greater flexibility to capture both the international mobile large scale investments of the area's leading businesses along with the potential inward investment associated with the offshore wind renewable energy supply chain.</p> <p>Greenport Business Investment grants will offer funding to Renewables co-located value chain businesses that move into Hull and the East Riding assisted area on capital investments between £100k and £20m, reducing the 'opportunity cost' for investors.</p> <p>Whilst other forms of financial support are available to business including Finance for Business and Enterprise Finance Guarantee, they are for small businesses, are subject to limited amounts and are only available in the form of loans and equity funding. The project aims to provide business grants to both existing local companies coming into the area and indigenous businesses looking to expand into the renewables sector.</p>
	<p><u>Objectives</u> The project will provide business grants to both new companies coming into the area and indigenous businesses in the renewable industry, green technologies and supporting engineering industries.</p> <ul style="list-style-type: none"> • It will create 450 jobs; • Safeguard 150 jobs • Increase GVA by £50m <p>And encourage the creation of up to 20 new businesses</p> <p>The project will address the following issues;</p> <ul style="list-style-type: none"> • It will help SME's to secure investment in capital equipment by reducing the costs and risks associated with an investment. Following the credit crunch and the restriction in the financial markets it is increasingly difficult for SME's to obtain capital from the financial institutions. • It will help to facilitate the development of a cluster around the offshore wind industry locally, creating a virtuous circle of activity, by co-locating activity in and around the City of Hull there are opportunities for synergies and cross fertilisation of ideas.
R & D – Knowledge Fund	
Hull City Council delivery lead with the University of Hull	<p><u>Aims</u> The offshore wind industry is an infant industry as such there is likely to be the rapid emergence of new technologies and processes as companies seek to gain a competitive advantage in the marketplace and the size of turbines increases.</p> <p>Research and Development (R&D) is highly mobile. Targeted R&D will underpin, inform and support the development of the City Region's Offshore Wind (OSW) and Co-located value chain capacity, aligned to the Greenport investment in Alexandra Dock.</p>

	<p>Objectives</p> <ul style="list-style-type: none">• Respond positively and proactively to company inquiries seeking R&D support to develop relevant products (and identify potential companies).• Provide a clear and coherent mechanism for companies, the RGF Board and the RGF Strands to engage with each other on R&D activity.• Provide easy access for companies to the best available R&D expertise (all R&D providers, not just the University of Hull).• Enable R&D projects to be complemented by activity from other GPG RGF strands, such as Business Support and Training & Skills, to ensure highest probability of commercial success.• Work with Siemens and tier 1/2 companies on their R&D needs and those of their OSW supply chains. Promote R&D relationship building between companies in the supply chains.• Support companies in securing additional (non RGF) R&D funds.• Promote the R&D Fund in collaboration with the overarching GPG RGF marcomms activity.
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4.2 State Aid

The Green Port Growth Programme will use the following State Aid notifications from the European Commission Regulation (EC) No 800/2008 of 6 August 2008. For the application of articles 87 and 88 of the treaty (block exemptions) and de minimis will be applied to business support and skills See table One.

Table One State Aid

Skills Strand lead Bob Ferriby	What it will do	State Aid	How beneficiary will be identified
Skills – Engineering Apprenticeships.	This strand will provide wage subsidies for apprentices in the order of £80 pw for year 1 and £60 pw for year 2 recognising the fact that semi skilled apprentices bring value to their employers. All apprenticeship frameworks will be advanced to NVQ level 3 or above.	The strand will contract with employers under de minimis for employment grants	Wage subsidies will be paid to engineering sector businesses based in Hull and the East Riding
Skills – upskilling	The project will support the up-skilling of existing employees in the engineering sector to levels 3, 4 or 5. A 50% subsidy will be paid to the employer towards the cost of training	Article 39 – Training Aid - Under the terms of Article 39 of Article 87 (3) of the treaty, state aid can fund up to 50% of the cost of general training such as that provided under this measure.	Training subsidies will be paid to engineering sector businesses based in Hull and the East Riding
Advanced trading provision	The project is aimed at companies employing people who will need very specific skills to meet the needs of their employers It is unlikely to be available locally and may be undertaken abroad. With a contribution of 25% of eligible costs associated with the training to the employer.	As above	Training subsidies will be paid to engineering sector businesses based in Hull and the East Riding
Inward investment lead Helen Stinson			
	To ensure the Siemens supply chain co-locates to the Hull & East Riding area and ensuring local people and businesses can take advantage of the opportunities associated with this. Carry out a master-planning exercise in conjunction with Siemens to ensure that the right companies are targeted and their individual needs can be met. Make pro-active overseas visits and inward missions providing opportunity for local business to engage with larger suppliers and vice	The strand will contract with employers under de minimis .	Inward Investment is the marketing strand for the programme. It will promote the area and the 'offer' internationally, leading on all pro-active promotional activity.
Site Assembly lead Chris ladley ERYC			
	Several large employment sites have been identified in Hull and the East Riding that can be brought forward to meet investor requirements. Providing employment sites in close proximity to the Green Port investment is essential to the master planning process where the supply chain is identified and specifically targeted with sites designed to meet their needs	Provision of funds will be made in accordance with the European Commission's regulations (EC) No 800/2008 of the 6 th August 2008 and articles 87 and 88 of the treaty general block exemption regulations.	Sites are already identified in the ongoing master planning exercise and the results will provide details on specific requirements for each site.

Table One State Aid

Business Support lead Adrian Shaw ERYC		
The business support strand, will assist businesses on the Humber North Bank, to access the co-located supply chain of renewable energy manufacturers and their associated suppliers; as well as develop the environmental technologies which will establish the Hull City Region as a rich source of accredited suppliers involved with the emerging global 'green industries	Levels of support proposed to SME's will fall within De-minimis level and this will be monitored throughout the project	links to the Inward investment strand and the other area along with targeted marketing will highlight beneficiaries
Research, Development & Innovation lead, Malcolm Relph		
This strand will work closely with the inward investment and business support strands to identify potential for innovation. The strand will provide advice to investors on research, development and innovation projects and source bespoke solutions from academic institutions. A specialist engineer will be funded by the programme who will work with investors	Provision of funds will be made in accordance with the European Commission's regulations (EC) No 800/2008 of the 6 th August 2008 and articles 87 and 88 of the treaty general block exemption regulations.	Wage subsidies will be paid to engineering sector businesses based in Hull and the East Riding
Business Investment Grants Lead Richard lowther HCC		
The project aims to provide business grants to both new companies coming into the area and indigenous businesses in the renewable industry, green technologies and supporting engineering industries locally	Provision of funds will be made in accordance with the European Commission's regulations (EC) No 800/2008 of the 6 th August 2008 and articles 87 and 88 of the treaty general block exemption regulations.	Grant will be paid to engineering sector businesses based in Hull and the East Riding or relocating to the area.

4.4 Programme Legacy & Exit Strategy

By 2018, the market for renewables investment will be far more mature, with risks and uncertainties far more quantifiable, hence commercial borrowing will be far more accessible. Furthermore, the opportunities to fund green investments will be greatly enhanced following the inception of the Green Investment Bank. As companies are better able to assess the future demand for renewables technologies so businesses will be more able to determine the equilibrium level of training.

By investing significantly in the provision of training now, there will be a significant skilled workforce capable of incremental development. The provision of training opportunities now is likely to lead to improved aspirations within schools and with it educational performance of the local population. The demand for training places amongst individuals will be linked to the experiences of people within the industry.

In securing new businesses and new employment there will be a significant stimulus given to the local economy which will help to address the equity issues facing the local economy. Having secured investment in the renewables industry it will be easier to attract further investment in the sector as the City and the surrounding area will be recognised as a centre of excellence and have the core of skills and expertise conducive to further investment. Hence it should be a low risk location.

The availability of grants will encourage investments to go ahead, reflecting the reduced level of risk and improved returns. As demonstrated, the development of a mature commercial market for investment in the renewables industry will reduce the requirement for grants as companies will be able to make more informed investment decisions. Moreover, it is anticipated that by 2015 there will be an equitable arrangement with regard to financial support across the UK and Europe.

4.5 Evaluation

Ongoing self evaluation will be undertaken by the Programme Management Board to ensure that the different elements of the programme are delivering projected outcomes. Where necessary, actions will be agreed to tackle shortfalls and continuously improve programme delivery

Individual project strands will be required to undertake internal and final evaluations of their projects, which will be reported to the performance management group. For individual strands in receipt of over £2m there will be a requirement to provide an external interim and final independent evaluation of the programme.

At the end of the programme the effectiveness of the overall approach and the added value offered by coordinated delivery of the complementary components will also be evaluated. This will demonstrate the value of a strategic programme approach.

Delivery partners will be expected to fund their own element of evaluation as a condition of receiving support. The overall evaluation will be part of the accountable body costs and therefore not require RGF support.

4.5 Delivery Plan – Finance table

Delivery strands	Quarter 1/ 2012 April May June	Quarter 2 July August September	Quarter 3 October November December	Quarter 4/2013 January, February, March	total expenditure	Future years	All years					
	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure	Expenditure					
Skills apprentices												
RGF Funds	£	26,000	£	52,000	£	78,000	£	156,000	£	7,056,000	£	7,212,000
ERDF Funds												
Private sector Funding	£	6,500	£	13,000	£	19,500	£	39,000	£	5,577,000	£	5,616,000
Other Public	£	23,400	£	46,800	£	70,200	£	140,400	£	10,059,600	£	10,200,000
Skills Up skilling												
RGF Funds	£	10,000	£	10,000	£	10,000	£	30,000	£	1,095,000	£	1,125,000
ERDF Funds												
Private sector Funding	£	2,500	£	2,500	£	2,500	£	7,500	£	105,000	£	112,500
Other Public												
Specific Skills												
RGF Funds									£	1,000,000	£	1,000,000
ERDF Funds												
Private sector Funding												
Wage subsidies for disadvantaged groups												
RGF Funds									£	300,000	£	300,000
ERDF Funds												
Private sector Funding												
Business Support												
RGF Funds	£	5,430.00	£	68,438.00	£	232,037.00	£	305,905.00	£	5,344,207	£	5,650,112
ERDF Funds												
Private sector Funding									£	1,125,000	£	1,125,000
Inward Investment												
RGF Funds					£	17,700	£	17,700	£	2,195,300	£	2,213,000
ERDF Funds									£	1,165,400	£	1,165,400
Private sector Funding									£	146,722,000	£	146,722,000
Site Assembly												
RGF Funds									£	2,150,000	£	2,150,000
ERDF Funds												
Private sector Funding									£	150,000,000	£	150,000,000
Business Grants												
RGF Funds					7000	7000	£	4,167,000	£	4,174,000	£	4,174,000
ERDF Funds												
Private sector Funding									£	56,000,000	£	56,000,000
Research and Development.												
RGF Funds									£	1,875,888	£	1,875,888
ERDF Funds												
Private sector Funding									£	21,334,500	£	21,334,500.00
Total		£73,830		£192,738		£436,937		£703,505		£417,271,895		£417,975,400
Cumulative Total		£73,830		£266,568		£703,505						
RGF Total		£41,430		£130,438		£344,737		£516,605		£25,183,395		£25,700,000
ERDF Total		£0		£0		£0		£0		£1,165,400		£1,165,400
Private Sector Total		£9,000		£15,500		£22,000		£46,500		£380,863,500		£380,910,000
Other Public Total		£23,400		£46,800		£70,200		£140,400		£10,059,600		£10,200,000

5.0 Delivery Plan – Key Milestones

Key Millstones Year One	Quarter One April to June	Quarter Two July to September	Quarter Three October to December	Quarter Four January to March
Skills	Set up training Provider Framework	Establish 25 Engineering apprentices	Establish 25 Engineering apprentices	Establish 25 Engineering apprentices
		10 Up Skilled Operatives	33 Up Skilled Operatives	33 Up Skilled Operatives
Business Support		Pilot of consultancy network	Setting up delivery infrastructure and contacting companies	
Inward Investment		Marketing material design and Master plan preparation.	Pilot scheme to explore tier one companies supply chain	Delivery staff in place and Humber International renewables consortium formed
Chamber of Commerce.			Project Team in Place	Project team in place, Stakeholder group identified, Steering group appointed, engage with tier 1 companies, identify international chain network
Site assembly		Master Planning on Paull site and Green Port Site		
R&D				
Business grants			Establish Investment Panel	First grants due diligence implemented
Siemens Announcement				Site Announcement from Siemens on the Green Port Site
Delivery Plan approved		August		
BIS approval		August		
Communication and marketing		Communication and marketing plan approve by BIS and two local authorities.		Plan implemented following the site announcement
Annual review.			Programme review DCLG/ BIS	Annual review of the programme.
Year 2 delivery plan				Year 2 delivery plan confirmed and submitted to DCLG and BIS

5.1 Outputs

Delivery strands	Quarter 1/ 2012 April May June	Quarter 2 July August Sept	Quarter 3 October November December	Quarter 4/2013 January, February March	Total outputs	Future years	All years	
	Outputs 20012/13							
Skills								
Skills apprentices			25	25	25	75	775	850
Skills Up skilling			10	10	10	30	120	150
Specific Skills							300	300
Wage subsidies for disadvantaged groups							750	750
Business Support								
business supported							200	200
jobs created							200	200
jobs safeguarded								
Inward investment								
Jobs								
Tier 1 and 2 companies re locating to hull							2	2
Site Assembly								
Business Grants								
jobs created							450	450
jobs safeguarded							150	150
Research and Development.								
Total Jobs created	1330							

Projected Interest Calculation to cover Due Diligence costs.

Regional Growth Fund - Interest Calculation

		Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total	Due diligence estimated costs.
		£	£	£	£	£	
2012-13	Opening Balance	25,700,000	25,798,303	25,896,981	25,996,037		
	Spend	0	0	0	516,000	516,000	
	Total	25,700,000	25,798,303	25,896,981	25,480,037		
	Interest (1.53%)	98,303	98,679	99,056	97,461	393,498	
	Closing Balance	25,798,303	25,896,981	25,996,037	25,577,498		£ 85,195.00
2013-14	Opening Balance	25,577,498	24,413,494	23,143,569	21,859,249		
	Spend	1,257,030	1,358,112	1,367,613	1,461,113	5,443,868	
	Due Diligence Costs					0	£ 173,201.00
	Total	24,320,468	23,055,382	21,775,956	20,398,136		
	Interest (1.53%)	93,026	88,187	83,293	78,023	342,529	
Closing Balance	24,413,494	23,143,569	21,859,249	20,476,159			
2014-15	Opening Balance	20,476,159	18,377,070	17,254,637	16,106,328		
	Spend	2,169,113	1,188,181	1,209,681	1,365,434	5,932,409	
	Due Diligence Costs					0	£ 173,201.00
	Total	18,307,046	17,188,889	16,044,956	14,740,894		
	Interest (1.53%)	70,024	65,748	61,372	56,384	253,528	
Closing Balance	18,377,070	17,254,637	16,106,328	14,797,277			
2015-16	Opening Balance	14,797,277	12,486,930	11,367,654	10,207,958		
	Spend	2,357,928	1,162,592	1,198,592	1,102,833	5,821,945	
	Due Diligence Costs					0	£ 173,201.00
	Total	12,439,349	11,324,338	10,169,062	9,105,125		
	Interest (1.53%)	47,581	43,316	38,897	34,827	164,620	
Closing Balance	12,486,930	11,367,654	10,207,958	9,139,952			
2016-17	Opening Balance	9,139,952	6,482,487	5,486,278	4,486,259		
	Spend	2,682,166	1,017,114	1,017,114	1,018,114	5,734,508	
	Due Diligence Costs					0	£ 173,201.00
	Total	6,457,786	5,465,373	4,469,164	3,468,145		
	Interest (1.53%)	24,701	20,905	17,095	13,266	75,966	
Closing Balance	6,482,487	5,486,278	4,486,259	3,481,411			
2017-18	Opening Balance	3,481,411	2,610,714	2,220,831	1,830,059		
	Spend	880,645	398,345	397,745	402,735	2,079,470	
	Due Diligence Costs					0	£ 172,001.00
	Total	2,600,766	2,212,369	1,823,086	1,427,324		
	Interest (1.53%)	9,948	8,462	6,973	5,460	30,843	
Closing Balance	2,610,714	2,220,831	1,830,059	1,432,784			
2018-19	Opening Balance	1,432,784					
	Spend	171,800				171,800	
	Total	1,260,984					
	Interest (1.53%)	4,823				4,823	
	Closing Balance	1,265,807					£ 950,000.00
Total	Spend	9,518,682	5,124,344	5,190,745	5,866,229	25,700,000	
	Interest (1.53%)	348,405	325,296	306,685	285,420	1,265,807	