

**GLLEP Investment Board Agenda and Papers** **Paper 0**

Date and Time: Friday, 27<sup>th</sup> January 2017 at 14.15pm

Venue: Epic Centre, Lincolnshire Showground

Item No	Item and Brief Description	Lead	Additional Information
1	<b>Welcome and Introductions</b> <ul style="list-style-type: none"> <li>• Apologies for Absence and Declarations of Interest</li> <li>• Matters arising</li> </ul>	Chair - Ursula Lidbetter  Ruth Carver	
2	<b>Draft Minutes:</b> 24 November 2016	Ruth Carver	Paper 1.0 – for approval
3	<b>Growth Deal Update Report</b> (including GD3 announcements)  <b>Programme Progress Report</b>	Halina Davies  Halina Davies	Paper 2.0 – for information Paper 2.1 – for information <b>Confidential</b>
4	<b>Access to Employment Zones</b>	Halina Davies	Paper 3.0 – for information
5	<b>Fee Charging Arrangements for GLLEP Funded Projects</b>	Halina Davies	Paper 4.0 - for decision <b>Confidential</b>
6	<b>Holbeach Peppermint Junction</b> <ul style="list-style-type: none"> <li>• Due Diligence Report</li> </ul>	Halina Davies  Halina Davies	Paper 5.0 – for decision (to follow)  Paper 5.1 – for information (to follow)  <b>Confidential</b>
7	<b>Feasibility Grant Fund Update</b>	Cathy Jones	Paper 6.0 – for decision <b>Confidential</b>
8	<b>Invest &amp; Grow Fund EOI</b> <ul style="list-style-type: none"> <li>• Application Form</li> <li>• Dual EV Leaflet</li> </ul>	Cathy Jones	Paper 7.0 – for decision Paper 7.1 – for information Paper 7.2 – for information <b>Confidential</b>
9	<b>Any Other Business</b>		

**Additional Papers:**

**Confirmed Attendees:** Ursula Lidbetter, Cllr Colin Davie, Cllr Rob Waltham,  
Cllr Peter Wheatley, Chris Baron, Herman Kok, Mark Tinsley,  
Richard Wills

**Accountable Body:** Linsay Hill-Pritchard

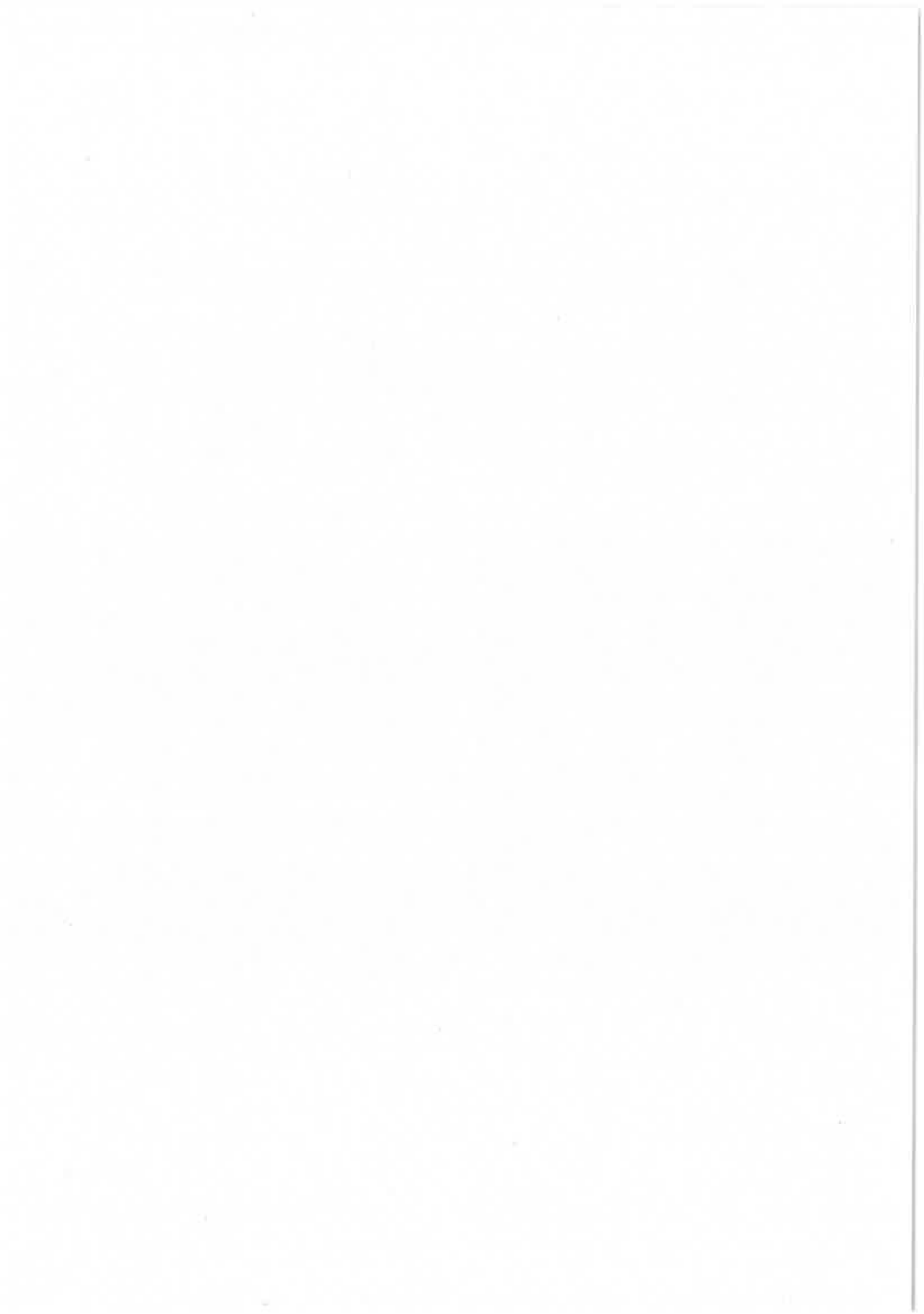
**Officers:** Ruth Carver, Halina Davies, Pete Holmes, Chris Duffill, Ange Blake

**Apologies:**

<u>In attendance:</u>	Actions
<p><b><u>Board Members:</u></b> Mark Tinsley (Chair); Cllr Ray Oxby; Cllr Rob Waltham; Herman Kok; Richard Wills;</p> <p><b><u>Board Support:</u></b> Ruth Carver (LEP - RC); Halina Davies (HD)</p> <p><b><u>Observers:</u></b> Pete Holmes; Chris Duffill</p> <p><b><u>Apologies:</u></b> Ursula Lidbetter; Cllr Colin Davie; Justin Brown; Chris Baron; Baroness Redfern</p> <p><b><u>Welcome by the Chair – Ursula Lidbetter</u></b> The Chair welcomed everyone in attendance. It was noted that the Board could be regarded as quorate for all matters.</p> <p><b><u>Declarations</u></b> HK declared an interest in the Agri-Food Centre of Excellence. Cllr Oxby declared an interest in Access to Employment Zones. Cllr Waltham declared an interest in Access to Employment Zones.</p> <p><b><u>Minutes</u></b> Minutes from the meeting held on 30 September 2016 were agreed and can be published on the website.</p>	LEP Secretariat
<p><b><u>Cllrs Oxby &amp; Waltham and NELC Officer, Chris Duffill left the room</u></b></p>	
<p><b><u>Access to Employment Zones</u></b> Board members were asked to approve an extended period of delay for contracting of the Access to Employment Zones scheme in North East Lincolnshire.</p> <p>This scheme intends to improve traffic flow at the Toll Bar, Littlecoates Road and Nuns Corner junctions and address immediately surrounding negative influences on traffic flow with a target of enabling growth.</p> <p>A phased approach to the contracting was suggested to NELC by LEP officers to enable earlier progression of the Toll Bar scheme, however NELC would rather wait and see if all three junctions can still be progressed in one funding agreement approach as originally planned.</p> <p>North East Lincolnshire Council requested that contracting of the Access to Employment Zones project be delayed until a cabinet decision on all three schemes has been reached, which will be held on 21<sup>st</sup> December.</p>	

<p>Board members were made aware that the Toll Bar scheme is forecast to spend £1.9m of growth deal in 2016/17 and further delays will undoubtedly impact on the wider Growth Deal programme, both this financial year and in future years.</p> <p>Allowing more time for this project would mean that the contract could be signed in January, if all parties are in agreement and still be procured in February 2017.</p> <p>Should only two of the three junctions be endorsed to go ahead by cabinet, a reduced allocation would be confirmed reflective of the outputs being delivered and value for money. The existing draft contractual agreement would consequently be altered accordingly to reflect any changes. Any residual growth deal allocation would be considered for investment in a pipeline scheme at a future Board meeting.</p> <p>If the cabinet decision is such that the entire scheme is unable to proceed, other pipeline schemes would need to be considered in order to spend the £4.2m currently allocated to the project, and ensure that outputs/outcomes being delivered by the programme overall are not compromised. A future Board paper would provide realistic options.</p> <p><b><u>Decision - Board members agreed that the scheme should be allowed additional time to enable a cabinet perspective. The next Investment Board scheduled for 27<sup>th</sup> January will be the deadline for agreeing a final approach.</u></b></p>	
<p><b><u>Cllrs Oxby &amp; Waltham and NELC Officer, Chris Duffill, returned to the meeting and Herman Kok left the meeting.</u></b></p>	
<p><b><u>Growth Deal Programme Update</u></b></p> <p>The GLLEP Annual Conversation will take place on the 5<sup>th</sup> December to discuss how the Growth Deal programme is progressing, programme management and decision making; risk management; wider funding programmes/initiatives and Devolution.</p> <p>Freedoms and flexibilities are already in place to help manage existing forecast programme slippage, however the £1.9m from the Access to Employment Zones scheme forecast for this year may also need to be considered in this context.</p> <p>An update on the Skegness Countryside Business Park scheme was given by HD. Due to a number of issues having arisen in relation to negotiations with Anglian Water, a formal letter citing concerns has been sent to their Chief Executive and a response is awaited. The scheme is otherwise progressing well, but the discussions with Anglian Water may result in additional costs, which could be between £500k and £1m.</p> <p>Members were asked whether any other Council in Greater Lincolnshire had experienced issues with utility companies. North East Lincolnshire Council stated that they have experienced particular issues with electricity companies. Cllrs Oxby, Waltham and Chris Duffill to provide further detail to the LEP..</p> <p>Pete Holmes suggested that when Nick Hurd visits Greater Lincolnshire on 1<sup>st</sup> December, general concerns regarding utility company/agency engagement might be a useful topic for discussion.</p>	

<p><b><u>Agri-Food Centre for Excellence</u></b></p> <p>The total estimated costs for this provisionally allocated growth deal scheme are approximately £7m and the £2.4m funding from Greater Lincolnshire LEP will equate to 34.3% of the project costs. The balance of funding at £4.6m will be made up of approximately £4.2m from the University of Lincoln via ESIF funding (if approved following appraisal towards the end of the year) and a further £400k, the route for which is yet to be confirmed this month, but could potentially be considered by Greater Lincolnshire LEP as an Invest and Grow Loan application.</p> <p>The new building will comprise a net floor space area of 1,360m<sup>2</sup>, housing specialist food technology facilities; a conferencing centre and accommodation to house the University's growing research community (robotics and food manufacturing) and businesses seeking "hot desking" space; and will be based in Holbeach on the new Food Enterprise Zone site.</p> <p>This scheme will ultimately link into and support all three FEZs in Greater Lincolnshire. The detailed designs have now been completed.</p> <p>Board members agreed that this scheme would provide opportunities for growth in productivity and that the project should be supported.</p> <p>It was pointed out that in the Due Diligence report there is a mistake in that it states that Holbeach is in the West Lindsey District Council area, whereas it should read South Holland District Council.</p> <p>Decision – Board Approval to contracting was given pending confirmation of the match funding.</p>	<p>LEP Secretariat</p>
<p><b><u>Ashby Hall – Confidential Item</u></b></p> <p>An Expression of Interest for Invest and Grow loan funding was presented to the Board. The scheme would provide a "high quality hospitality facility" which will be used to host a wide range of commercial and private events. The £1.9m investment sought would be used directly for the acquisition of the property which is Grade II listed and lies on the edge of Ashby de la Launde.</p> <p>There was a broad discussion on the detail provided by the applicants to date, and it was also noted that the project does not have a current planning permission in place and does not specifically deliver infrastructure.</p> <p>A decision was made by the Board members that a full application should not be invited.</p>	<p>LEP Officers to inform the applicants of the decision</p>
<p><b><u>Any Other Business</u></b></p> <p>None</p>	
<p><b><u>Date of Next Meeting</u></b></p> <p>Friday, 27<sup>th</sup> January 2017 at the Epic Centre, Lincolnshire Showground.</p>	



**Recommendation: A Paper for Decision**

Board members are asked to formally endorse the recommendations made by officers for changes relating to the scheme post NELC Cabinet decision.

Current Position

On the 24<sup>th</sup> November 2015 Investment Board agreed to delay a final decision on whether the Access to Employment Zones project in North East Lincolnshire should progress with growth deal funding support. Access to Employment Zones is a series of junction improvements on key access routes to and from Grimsby, enabling the capacity for housing and industrial growth. The scheme intends to improve traffic flow at three junctions and address immediately surrounding negative influences on traffic flow. The entire project was originally estimated to cost in the region of £4.8 million with a Single Local Growth Fund (SLGF) contribution of £4.2 million.

Local politicians discussed project design concerns at a full Cabinet meeting on the 18<sup>th</sup> January and the outcome was as follows:

- Toll Bar junction – decision made for replacement of the existing roundabout with a signalised cross-roads (the option recommended by Officers)
- Nuns Corner junction – proposed retention of the existing roundabout and incorporation of fully integrated traffic signals (not the recommended option, but the next preferable option)
- Littlecoates Road/Cambridge Road – replacement of the existing mini-roundabout with a full-sized, signalised roundabout junction (not the recommended option, but the next preferable option)

The relevant Scrutiny Committee now has a limited period during which it can call in one or more of these decisions and Cabinet would then be required to consider the matter again. If this is the case, it is likely to do so very quickly i.e. by the end of January 2017.

Providing the schemes are not called in over the next week or so the proposed approach to contracting the scheme is:

1. The design for toll Bar junction which is the element linked to this year's growth deal expenditure was endorsed to proceed and a Phase 1 contract can therefore be let as soon as possible enabling this junction improvement to get underway.
2. Littlecoates Road Junction and Nuns corner Junction will require a redesign, therefore revised business cases will need to be submitted to LEP for reappraisal to ensure continued value for money and clarification of any impact on outputs/costs. These junctions will form Phase 2 of the project and will not be contracted until a further Investment Board Decision is taken post revised due diligence.

Officers would therefore like the Board to endorse the following actions:

- That a project allocation of £2.1m is approved for the Toll Bar Junction which can be contracted as soon as possible as per existing due diligence.

- That pending any further call in by the Scrutiny Committee, Nuns Corner and Littlecoates Road junctions are partially reappraised to ensure continued value for money.

**Recommendation**

The Board endorses Officer recommendations in relation to the scheme enabling immediate progression to contracting of the Toll Bar junction (Phase 1).



**Recommendation: A paper for decision**

Approval is requested from Board to consider the due diligence report for Holbeach Peppermint Junction electronically post Board with subsequent sign off by the Chair should the scheme allocation be endorsed to proceed.

**Background Information**

The Peppermint Junction/South Lincolnshire Food Enterprise Zone (FEZ), hereafter referred to as Peppermint Park, Holbeach (a Food Enterprise Village), comprises a number of interdependent and linked projects including highway improvements at the A17/A151 junction, creation of a FEZ on land to the west of the A151 and the delivery of a large scale housing development to the east of the A151.

The highway works at Peppermint Junction required to unlock growth opportunities in Holbeach have been granted a growth deal allocation of £2.4m, and include the creation of a new, three arm, roundabout at the existing junction of the A17/A151. A new, four arm, roundabout to the south of the A17 is also required in order to provide access to residential land to the east of the A151 and open up development land to the west of the A151 earmarked for the FEZ.

The highway works will provide a number of additional benefits including road safety improvements, improved traffic flow on the A17 and reduced traffic flow through Holbeach town centre. They will also release land needed for the creation of the FEZ, enabling employment growth through the provision of approximately 59,000 sq m of new employment space.

Indicative milestones for the delivery of the road scheme are as follows:

- March 2016 – Planning consent secured
- December 2016 – Detailed Design completed
- January 2017 to March 2017 – Tender Period
- April 2017 – Mobilisation
- April/May 2017 – Start on Site
- June 2018 – Completion of works

Planning consent has been granted for the road improvements and the tender documentation for the Holbeach Peppermint Junction Highways scheme has been released, with tenders due back on 15<sup>th</sup> February 2017. The documents include separate requests for prices for the adjacent Boston Road Roundabout Capacity Improvements, which will be separately funded but are intended to be delivered through the same contract in order to take advantage of economies of scale. Construction of the road is due to commence in May 2017.

**Due Diligence Appraisal**

Though the due diligence appraisal is underway, the cost appraisal could unfortunately not be completed in time for this Investment Board. The scheme is however a crucial catalyst for the delivery of the remainder of the Food Enterprise Zone, and as such making a decision regarding the allocation as soon as possible is recommended.

The business case has identified strong outputs in the business case with the junction directly enabling an initial 200

homes, safeguarding/creating 60 jobs, and delivering 12,000 sqm of new commercial floorspace, though these will of course be subject to potential change as part of the appraisal process.

**Recommendation**

It is recommended that consideration of the £2.4m SLGF towards the Holbeach Peppermint Junction scheme be made electronically by the Investment Board and that the project is signed off by the Chair if formally approved to proceed to contracting stage.