



LEP INVESTMENT BOARD

19th July 2019

Stokes, The Lawn, Union Road, LN1 3BU

Draft Minutes

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<p><u>Present:</u></p> <p><u>Board Directors:</u> Ursula Lidbetter (Chair) (Lincs Co-op), Cllr Philip Jackson (NELC), Cllr Rob Waltham (NLC), Cllr Colin Davie (LCC)</p> <p><u>LEP Officers:</u> Halina Davies, Cathy Jones, Sue Groves (Note Taker), Zoe Bursey</p> <p><u>Observer:</u> Pete Holmes (BEIS), Marcella Hague (BEIS), Andrew Crookham (S151 Officer & Accountable Body)</p> <p><u>Apologies:</u> Chris Baron (Butlins), Pat Doody (Nat West), Ruth Carver (LEP)</p> <p><u>For Agenda Items:</u> Russell Copley (Item 3)</p>							
<p><u>Welcome by the Chair</u> <u>Apologies and Declarations of Interest</u></p> <p>Formal apologies were received from the following: Chris Baron (Butlins), Pat Doody (Nat West), Ruth Carver (LEP)</p> <p>Declarations of Interest:</p> <table border="1"><tr><td>Cllr Rob Waltham</td><td>Lincolnshire Lakes, Papers 5 & 5.1 Keadby Terminal Assisted Outfall Pumping Station, Paper 7</td><td>NLC are applicants</td></tr><tr><td>Cllr Colin Davie</td><td>GLLEP Feasibility Fund - Paper 6 Huttoft Boat Shed and Gradus Business Centre</td><td>LCC are applicants</td></tr></table> <p>Full declarations of interest can be found at https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/</p> <p>The board were reminded that declarations of interest are required as part of LEP governance and must be submitted at least annually, and if anything changes to notify the LEP office at the earliest convenience.</p>		Cllr Rob Waltham	Lincolnshire Lakes, Papers 5 & 5.1 Keadby Terminal Assisted Outfall Pumping Station, Paper 7	NLC are applicants	Cllr Colin Davie	GLLEP Feasibility Fund - Paper 6 Huttoft Boat Shed and Gradus Business Centre	LCC are applicants
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<p><u>Minutes and Matters Arising (Paper 1)</u></p> <p>The minutes of the 24th May 2019 were accepted as a true record.</p>	<p><u>Action</u></p> <p>Publish</p>						
<p><u>Electronic Approval Note (Paper 2)</u></p> <p>A note reflecting the electronic approval process and decision for the Gainsborough Growth project was tabled at the meeting for reference. The scheme was approved electronically on the 19th June 2019.</p>							
<p><u>Cllr Waltham left the room</u></p>							
<p><u>Lincolnshire Lakes (Paper 5)</u> <u>Paper Commercial in Confidence</u></p> <p>Simon Green, Deputy Chief Executive and Executive Director of Commercial for North Lincolnshire Council presented an update paper on progress with the Northern Junction Roundabout and Lake 1</p>							

schemes at Lincolnshire Lakes, providing an overview of what was happening with the entire Lincolnshire Lakes site including the southern junction. NLC continues to work closely with all parties involved in the delivery of the wider Lincolnshire Lakes Strategic Land Allocation and will continue to keep GL LEP informed of progress.

A meeting is being held on the 26th July between Simon Green, the CEO of Homes England and BEIS representatives for Greater Lincolnshire and The Humber to agree a way forward for future investment and address key questions raised by LEP Board Directors.

Simon Green left the room

Decision

The Board agreed that an update of the meeting with Homes England on the 26th July is required via email within 7 days of it having been held. A decision will be made regarding continued support for the scheme at a bespoke meeting to be arranged in August/early September. Timescales for delivery remain extremely important with £3.9m of GL LEP grant funding allocations attributed to this site; clarity is required from Homes England regarding milestones and future investment.

The report to the next Investment Board should include a full risk analysis and revised milestones.

ClIr Waltham returned to the room

ParkAcre Ltd (Paper 3) - Russell Copley **Paper Commercial in Confidence**

Russell Copley, Director of Greenborough Management Ltd presented a paper and due diligence report on the development of a new warehouse and refurbishment of an existing innovation centre at Hemswell Cliff. The submission by ParkAcre Enterprises Ltd was under the auspices of the Greater Lincolnshire Growth Fund requesting approval for progression to contracting stage. ParkAcre are one of the UK's largest fully integrated contract manufacturers of Vitamins, Minerals and Supplements.

Decision

The Board approved £500,000 of Greater Lincolnshire Growth Fund towards the ParkAcre Enterprises Ltd project and progression of the scheme to procurement and contracting stage.

ClIr Davie left the room

GLLEP Feasibility Fund (Paper 6)

Board Directors were asked to approve Feasibility Fund allocations for two projects that had applied since the Open Call.

Project 1 - Gradus Business Centre - LCC as applicant

The application sought £7,000 towards £14,000 retrospectively spent on feasibility work in preparation for an extension to the Gradus Business Centre in Market Deeping. The work was commissioned after 29th March 2019, which is in scope of the eligible costs.

An outline business case for this project was submitted in December 2018 and consequently the project had been included within the GLLEP pipeline as a short/medium term project under the theme of Business and Innovation.

Feasibility funding will be recycled within the project to finance projects costs which will be incurred in the further development of the scheme.

Project 2 - Huttoft Boat Shed Visitor Centre - LCC as applicant

The project aims to replace an existing redundant boat shed with a new visitor facility at Huttoft. The application sought £4,534 towards £9,068 feasibility work to identify the restrictions and limitations of the site and get a better understanding of the options that could be developed. The scheme will align with other investment in the area, ie, coastal walk, Visitor Centre and North Sea Observatory. The building will provide a high quality café, kiosk, roof terrace and external deck and provide information to visitors on local attractions.

If the project progresses, in addition to the feasibility costs, the total investment in this project would be £480,000.

The project has been identified as one of the most deliverable pipeline schemes in the short term, and subsequently had a provisional allocation of £240,000 approved by GL LEP Investment Board in May 2019 subject to due diligence appraisal.

The project delivers another key facility within the Lincolnshire Coastal Country Park and it will help address seasonality by extending the tourist season and creating new patterns of demand for tourists and opportunities and access for all.

Decision

The Board Directors asked LEP Officers and the Accountable Body to explore another way of approving this funding programme in future (within the context of the Assurance Framework) given the small amounts requested ie, electronic approval up to a certain amount being requested, consider introducing a minimum grant level, perhaps related to financial scheme of delegation.

The Board approved £4,534 feasibility funding totally £4,534 towards Huttoft Boat Shed Visitor Centre and £7,000 feasibility funding towards Gradus Business Centre.

Cllr Davie returned to the room Cllr Waltham left the meeting

Consideration of a reserve provisional allocation to a GLLEP Pipeline scheme (Paper 7)

Board Directors were asked to review and endorse a "first reserve" pipeline provisional allocation (pending outcome of a due diligence assessment) to Keadby Terminal Assisted Outfall Pumping Station should Growth Deal funding become available in the short term.

The Keadby Terminal Assisted Outfall Pumping Station scheme was one of five pipeline schemes deemed most deliverable by 31 March 2021. The project provided full business case proposals for consideration at the 24th May Investment Board. Three projects were awarded a provisional allocation at the time, however despite scoring well in the assessment process, the Keadby Terminal Assisted Outfall Pumping Station scheme was asked to submit an updated business case with greater focus and clarity on demand and need, economic case and impact.

The Accountable Body asked if initial questions regarding requirement of the grant had been addressed by NLC and if there had been sufficient clarity regarding where FDGIA could be invested sooner as a result of GL LEP grant support. The difference in overall cost shown in Appendix 3 was also queried.

The revised full business case was received and reviewed in June. Initial investment into the Keadby Pumping Station project would enable a significant amount of Flood Defence Grant in aid (FDGIA) to be available to undertake additional bank and watercourse works required on the upstream parts of the Keadby Group which have now been named and clearly identified within the appendices provided. The Keadby Pumping Station and wider Isle of Axholme projects will help to sustain and grow the economy across the North Lincolnshire Council area of the Isle of Axholme, as

well as Doncaster Council and East Riding Council areas to the north. Officers explained that overall costs identified in Appendix 3 had since been updated and that the figures provided within the business case were accurate following recent analysis of requirements by the Environment Agency. Due diligence appraisal would include a full QS led value for money assessment should the scheme be in a position to proceed.

Decision

Should LEP funding meet the scheme's gap funding requirement become available in the short-term, the Board agreed that the Keadby Pumping Station scheme would still need to go through a full due diligence appraisal, but would be regarded as a 'first reserve' scheme for consideration given the analysis of the scheme and comparison with other deliverable schemes by March 2021 that has already taken place.

If a much lower grant amount to the £3.4m needed for Keadby Pumping Station became available in the short term, thus affecting viability levels, other GL LEP pipeline schemes requiring grant of a similar scale and deliverable by March 2021 would be asked to submit full businesses cases for consideration on a competitive basis.

Growth Deal Update Report (Paper 4)

Paper Commercial in Confidence

There are still 10 schemes/phases with allocations uncontracted with GLLEP and these amount to £18.42m growth deal allocation (14.89% of the total allocation). There are currently four high risk uncontracted schemes and the Board was provided an update on each of these projects.

Skegness Gateway Project

The agreed milestones for completing the land negotiation and HOTS have been achieved. Planning permission has been submitted earlier than originally planned, however, finalising wording of the legal documentation for the land sale remains unresolved. The Board acknowledged the positive progress made but agreed that the legal documentation between parties will need to be completed (not signed) by a deadline of Monday, 2nd September 2019.

Northern Junction Roundabout

This was discussed earlier with Paper 5.

Access to Employment Zones

Monthly meetings are being held with the NELC Project Lead and Director. A 27th July start on site had been expected for the already contracted Phase 1 scheme, but a substantial contract variation in relation to scheme design for Toll Bar (Phase 1) may now have to be proposed with Littlecoates Road/Cambridge Road (Phase 2) proceeding ahead of Phase 1.

Decision

Any variation proposals for Toll Bar will need to be reappraised in August and considered by the 27th September Investment Board. Delivery of Phase 2 may need to be brought forward if Toll Bar requires re-designing.

The Bridge

Following a meeting with LCC ESIF lead, UoL, BEIS, GL LEP and GDT, a timescale was agreed for MHCLG appraising the scheme, and UoL responding to queries given the tight deadlines involved for delivery. Due diligence appraisal by the LEP will take place in August 2019 and the ERDF decision in principle subject to contracting documentation expected in September 2019. This would enable UoL to proceed at risk if necessary so as not to delay the scheme further. A full report will be provided for a bespoke Investment Board decision in late August early September 2019.

Improvement Plan

Following from the Annual Performance Review, GLLEP has agreed a programme delivery improvement plan with BEIS. Four meetings to discuss progress against agreed milestones have been arranged with Government throughout the year, the first of which took place on the 22nd May and the second on the 17th July. All required milestones to date have been fully achieved subject to one more new contract needing to be in place by the 16th September meeting

In addition to the Growth Deal Update Paper which focuses on overall performance and mitigation measures being taken in relation to high risk schemes, a separate summary paper for information will be prepared for future Investment Board meetings as of the 27th September, providing progress updates on all the projects within the Growth Deal programme.

GLLEP Pipeline Call Launch 2019

This Pipeline Call was launched at the LEP Conference held on the 12th July. It will enable existing pipeline schemes to update their business cases, thus informing us of progress made in scheme development to date, and new proposals to be reviewed in preparation for future funding opportunities. This call for outline business cases asks for projects which are aligned to strategic priorities within our SEP and emerging Local Industrial Strategy that will clearly contribute to economic growth and productivity. Schemes can be capital or revenue related, however, the projects that the LEP is interested in are projects/programmes with a minimum grant request of £250,000 that can demonstrate match funding.

The LEP is looking for schemes that fall into one of two categories:

- Category A - Capital projects that can financially complete before March 2020/21.
- Category B - Capital or revenue projects that can be delivered within the next five years.

The call closes on the 27th September 2019.

The Board Directors noted the position of the Single Local Growth Fund performance.

Meeting closed