



LEP INVESTMENT BOAR

27th September 2019

Boole Technology Centre, Lincoln Science
& Innovation Park, Beevor Street, Lincoln,
LN6 7DJ

Draft Minutes

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<u>Present:</u>	
<u>Board Directors:</u>	Ursula Lidbetter - Chair (Lincs Co-op), Pat Doody (Nat West), Cllr Rob Waltham (NLC), Cllr Colin Davie (LCC), Cllr Philip Jackson (NELC)
<u>LEP Officers:</u>	Ruth Carver, Halina Davies, Sue Groves (Note Taker)
<u>Observer:</u>	Pete Holmes (BEIS),
<u>Apologies:</u>	Chris Baron (Butlins)
<u>For Agenda Items:</u>	Simon Green (NLC), Derek Gibbon (Homes England), Stephen Cresswell (Homes England), Peter Henry (Harworth Estates), Andrew Roberts (Harworth Estates), Chris Duffill (NELC), Simon Wright (LCC), Warren Peppard (LCC), Cathy Jones (GLLEP)

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following:
Chris Baron (Butlins)

Declarations of Interest:

Cllr Rob Waltham	Lincolnshire Lakes, Papers 4 & 4.1	NLC are applicants
Cllr Colin Davie	Holbeach FEZ, Papers 3 & 3.1 Huttoft Boat Shed Visitor Centre, Papers 7 & 7.1	LCC are applicants
Cllr Philip Jackson	Access to Employment Zones, Papers 5 & 5.1 E Factor Incubator Project, Paper 8	NELC are applicants NELC are core partners

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/>

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.

Minutes and Matters Arising (Paper 1)

Action

Matters Arising:

The minutes of the 6th September 2019 were accepted as a true record.

Publish

Growth Deal Update Report (Paper 2) - Halina Davies

HD informed the Investment Board members that there are 10 schemes/phases still uncontracted with GLLEP, these amount to 13% of our total growth deal allocation with 87% of the programme now being fully committed. Five of these schemes are at contracting stage with GLLEP.

There are currently four high risk uncontracted schemes (Northern Junction Roundabout, Access to Employment Zones Phase 2, Holbeach Food Enterprise Zone and The Bridge). The LEP will continue

to closely monitor all Amber and Red RAG rated schemes going forward as per risk mitigation processes agreed with the Board.

A summary of progress against each scheme within the programme was provided as part of the growth deal update report.

The mid-year review with Government took place on the 16th September reviewing progress against Strategy, Delivery and Governance and was a positive meeting agreeing a series of Actions for the remainder of the financial year. The Annual Review will take place in January/February 2020. Progress against the current improvement plan was also discussed, with GLLEP having met all required milestones to date.

Scenario Planning

The Board had a discussion about the current programme position, project risk management and options for mitigation to ensure programme delivery and expenditure by 31 March 2021.

It is a challenge for the remaining uncontracted projects to hit the due diligence requirements and meet the timeframes to contracting, and to bring forward spend if existing projects drop out. The board agreed to the following:

- Extensions to existing contracts for strategic schemes should any growth deal funding need to be reallocated, though this needs to be balanced with VFM and programme output delivery.
- Over programming projects at risk and reviewing the current pipeline to bring more projects forward if necessary.
- Need to review schemes that are contracted but not performing to ensure that deliverability remains.
- Continued work on supporting provisionally allocated projects to progress full business cases and fulfil due diligence requirements.
- Focus on projects that could contract by December 2019.
- Seek short-term delivery projects with the refreshed pipeline - target date of November 2019.

Delivery Risk Management Options

- Continue to have regular meetings with high risk projects.
- Withdraw/reduce funding from poor performing contracts.
- Review option of flexibility on S31 grant payments.

CLlr Colin Davie left the room

Holbeach Food Enterprise Zone (Paper 3) - Warren Peppard & Simon Wright

A great deal of positive and successful work has been done to progress the delivery of the FEZ and all partners are committed to the scheme.

Whilst electricity supply issues have been identified as a constraint, and whilst LCC continue to consult with WPD awaiting a formal cost option this October, they have also appointed Sustainable Direction, a specialist consultancy, to advise on alternative approaches to the delivery of power at the FEZ site.

Sustainable Direction completed their detailed technical report in early September and have advised the Council that there is a realistic opportunity for alternative power solutions which would in effect create a "micro grid" for the FEZ.

Whilst the advice from Sustainable Direction is that their proposal is deliverable in the timeframe set and with the budget available, the Council has commissioned a third party consultant to carry out a review of the Sustainable Direction report to verify their findings, assessing risk levels.

The new road within the site has been tendered and should be contracted by November 2019.

Outputs: The breakdown of outputs for the scheme has been reviewed and amended in light of the challenges faced and recent analysis in conjunction with other schemes being delivered on or around the site.

Decision

The Board favoured option 3 in the supporting LEP Board paper, which recommended that the £3m of GLLP grant funding contracted to the scheme should be attributed to up front land acquisition costs, road infrastructure and utilities related work rather than to power provision solutions for the site. LCC are to provide a revised scheme proposal identifying exactly where grant support will be directed, including LCC proposals for power provision to the site from both WPD and Sustainable Direction by a deadline of the 8th November 2019. This should also include details on match funding contributions and outcomes to demonstrate deliverability and continued value for money. The revised proposal will be discussed and a decision made at the 29th November Investment Board.

The proposed variation to contracted outputs was agreed in principle subject to any necessary changes that might arise in light of the revised submission to November Board.

Cllr Davie returned to the room

Lincolnshire Lakes (Paper 4) - Halina Davies

Representatives from North Lincolnshire Council, Homes England and Harworth Estates attended the meeting to present a full update on the progress, including clarification on key milestone dates, to the Investment Board.

All NLC, Homes England and Harworth Estates representatives left the meeting

Cllr Waltham left the room

Following the presentations, the Board considered the information provided and the level of risk involved for the wider Growth Deal programme.

Decision

The Board discussed potential options available to them in relation to the site which would require further evaluation prior to the 29th November Investment Board. One option could be progressing the northern junction scheme only at this point in time, another option might be bringing forward a short term deliverable GLLEP pipeline scheme in the area instead.

NLC will be asked to consider their options and submit a revised business case to the LEP by the end of October 2019 to enable due diligence appraisal and to inform a final decision from the Investment Board with regard to its grant funding. Should NC not be able to progress a revised proposal, the full £3.9m allocation will be returned to the GLLEP for reallocation, and both Lincolnshire Lakes relates schemes will be returned to the GLLEP Pipeline for future consideration.

Cllr Waltham returned to the meeting

Cllr Davie left the meeting

Access to Employment Zones - Chris Duffill

The Board was asked to consider an extension of time to the next Board meeting regarding the delivery milestones and potential variations for the contracted Phase 1 scheme.

CD confirmed that Littlecoates Road/Cambridge Road Phase 2 scheme had achieved its pre-contracting conditions and that it could now be contracted with GLLEP. Works will commence on site November 2019 and complete in early July 2020. Achieving these milestones will be critical to maintain network resilience and facilitate delivery of Toll Bar scheme.

Decision

Agreed that the Phase 2 scheme (Littlecoates Road) should be contracted with GLLEP as soon as possible, and that an extension of time should be approved with detailed contract variation proposals being provided on Phase 1 in early November.

CLlr Philip Jackson left the room

Feasibility Fund (Paper 6) - Cathy Jones

An application for feasibility funding was received for a £21,551 grant to E-Factor Group Ltd for the E-Factor Incubator project.

Decision

Board members approved the grant.

CLlr Philip Jackson returned to the meeting

Huttoft Boat Shed Visitor Centre (Paper 7) - Halina Davies

HD provided an overview of the scheme.

Grant conditions identified and agreed were as follows:

Pre-contracting

- Confirmation to GLLEP that any additional costs are underwritten by LCC.

Pre-drawdown

- Confirmation that the scheme has secured a satisfactory planning permission and is able to proceed - pre-drawdown of funding.
- A copy of the report on tenders, lowest tender and final specification is provided to GLLEP to demonstrate that the scheme is deliverable.
- An updated programme for delivery and drawdown of funds is to be provided once a contractor has been appointed.

Decision

Board members approved the £240,000 of Growth Deal grant funding towards this project and the scheme's progression to contracting stage.

Terms of Reference Review (Paper 8) - Ruth Carver

Proposed changes to the GLLEP terms of reference were discussed and revised documents are to be circulated for an electronic decision as soon as possible.

Meeting Closed