



LEP INVESTMENT BOARD

29th March 2019

The Olde Barn Hotel, Toll Bar Road,
Marston, Grantham, Lincs

Draft Minutes

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Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), Cllr Peter Wheatley (NELC), Pat Doody (Nat West), Chris Baron (Butlins)

LEP Officers: Ruth Carver, Halina Davies, Sue Groves (Note Taker)

Observer: Pete Holmes (BEIS), Pete Moore (S151 Officer & Accountable Body)

Apologies: Cllr Rob Waltham (NLC), Cllr Colin Davie (LCC)

For Agenda Items: Russell Copley, Michelle Davis (Greenborough Management Ltd)

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following:
Cllr Rob Waltham and Cllr Colin Davie

Declarations of Interest:

Cllr Colin Davie	Skegness Gateway Project	LCC are project applicants
Cllr Peter Wheatley	Access to Employment Zones, Phase 2a	NELC are project applicants
Cllr Rob Waltham	Lincolnshire Lakes/Northern Junction Projects	NLC are project applicants
Pat Doody	Sleaford Building Services	Applicants have secured a Natwest bank loan

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)

The minutes of the 20th February 2019 were accepted as a true record.

Action

Publish

Pat Doody left the room

Sleaford Building Services Ltd (Paper 2)

Board Directors were asked to consider the due diligence appraisal for the Sleaford Building Services Ltd (SBS) project under the auspices of the Greater Lincolnshire Growth Fund (GLGF) and to approve progression to contracting stage.

SBS are based in Heckington and are a Mechanical and Electrical Contractor founded in 2003 by the current Managing Director, with a turnover in excess of £8.1m.

In order to create greater efficiency and enable growth SBS wish to buy an established

manufacturing facility in nearby Sleaford and have identified a possible site which has a workshop of 450m². The new building, with the intended renovations, will have the office space SBS require, housing up to 60 people in designated and specifically designed offices, along with an additional fabrication bay and overall size to consolidate production within one building.

Comments

- ❖ Project has been through the Growth Deal Scale-Up programme
- ❖ Leadership training undertaken
- ❖ Funds would only be released on evidence of funds being spent
- ❖ This could be a good case study for GLLEP

Decision

The GLGF grant of £358,525 was approved subject to contracting and compliance with conditions identified through the due diligence process.

Pat Doody returned to the room

Growth Deal Programme Update (Paper 3)

HD provided an overview of the paper and Investment Board Directors were asked to note the Growth Deal Programme progress report.

The Growth Deal Programme is currently 82% contracted, with 55% of contracted spend expended to date. Provisional allocations totalling £21.9m remain uncontracted with GLLEP at this point in time (17.7% of the total allocation).

Regarding the Advanced Engineering Centre (The Bridge), a meeting has been arranged with the University and ESIF to discuss alignment of appraisal processes, but this project may not be deliverable by March 2021 due to ESIF funding. If it is to go ahead, this needs to be contracted by autumn 2019. The Board discussed what might happen if EU funds are not available for the scheme and the potential of finding additional funds from another sources if necessary.

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.

The target for Growth Deal this financial year will be achieved with freedoms and flexibilities applied for 2018/19 being attributed to the Agri-food Centre of Excellence Scheme, Grantham Technology and Innovation Scheme and Scunthorpe Town Centre Scheme.

GLLEP Officers reminded the Board of agreed follow-up actions where projects are consistently not delivering.

Skegness Gateway Project (Paper 5)

The Board was updated on progress against agreed project milestones on the 20th February. Applicants for the scheme had asked the Board for a one month extension to the Phase 1 milestones based on their explanations with regard to additional external legal advice being required regarding state aid.

Having reviewed all the information provided, the Board remained concerned about the level of programme risk attached to delivery of this project.

Decision

Phase 1

The Board was aware that the site could accommodate an interest investor by Spring 2020 and that it is the only allocated employment site for Skegness in the East Lindsey Local Plan.

The Board approved continued £1,279,000 growth deal support for the Phase 1 element of the project provided that the land valuation negotiation with Croftmarsh was completed and evidenced in writing by 30 April 2019, HOTS were agreed, signed and evidenced by 20 May 2019, and subsequently land acquisition was fully secured including signed legal documentation by 28 June 2019.

Should any of these milestones not be achieved the full £1.279m provisional allocation will be returned to the wider Growth Deal Programme, and Phase 1 of the Skegness Gateway Project would be returned to the GL LEP Pipeline.

Phase 2

With the added delays to Phase 1 and remaining hurdles it still needs to achieve, the Board agreed that works on Phase 2 were undeliverable by 31 March 2021, hence the £2,721,000 allocated to Phase 2 should be returned to the wider growth deal programme as of immediate effect, and Phase 2 of the scheme will be placed on the project pipeline. Projects on the pipeline will be asked to submit full business cases should further LEP funding opportunities become available.

Lincolnshire Lakes/Northern Junction Roundabout Update (Paper 6)

An update on progress with the Lincolnshire Lakes 1 and Northern Junction Roundabout schemes was presented to the Board.

Despite some preparatory works having taken place, the main construction contract for the Lake 1 project has been held in abeyance pending written confirmation of investment in the wider scheme.

The Northern Junction Roundabout scheme was approved to contracting stage on the 25 May 2018 subject to a number of conditions. Of these conditions, confirmation in writing of match funding being available to NLC and costs for the wider scheme being released by Homes England as a loan to enable the projects to start was awaited; hence GL LEP has been unable to proceed with the funding agreement to date.

Four planning applications were determined in July 2016 and the conditions of the permission PA/2013/1001 require that the first phase reserved matters must be submitted within three years of the date of the decision. This date is the 8th July 2019. However, to legally submit the reserved matters application, a number of other conditions must first be discharged.

The above, the northern roundabout and lake 1 are currently the subject of discussions with a new owner of the site and legal agreements are progressing for all parties concerned. A letter of intent has already been received on the 21st March 2019 from the investor concerned. The contracts remain in place for the Northern Roundabout and Lake 1 with Clugston Construction and they can be on-site within 6 weeks for the Northern Roundabout and 2 weeks with Lake 1 once all the necessary agreements are in place.

This will all be achievable well within the 31 March 2021 deadline providing a start is made as planned on site by late June 2019.

The scheme will remain subject to monthly review and the Board requested that more detailed milestones be provided by NLC to the May Investment Board.

Councillor Peter Wheatley left the meeting

Access to Employment Zones Phase 2a (Paper 4)

Board Directors were asked to review the due diligence appraisal for this scheme (Littlecoates Road/Cambridge Road) and consider the Officer recommendations with regard to the funding allocation and progression to contracting stage.

Phase 1 of the scheme relating to the construction of a new signalised crossroads junction at Toll Bar on the A16 to the south of Grimsby, was contracted in July 2017. Phases 2a and 2b are uncontracted and Phase 2a formed the basis of the paper discussed.

Having reviewed all the information provided, including comments received from NELC, the Board members present remained concerned about the level of programme risk attached to delivery of the wider project, in particular the timings of Phase 2b due to the sequential nature of the overall scheme.

As the meeting was not quorate for this project, it was agreed that electronic approval by Board Directors should be sought from the Investment Board as soon as possible, and that the decision would be reported at the next Investment Board.

Meeting closed