



# LEP INVESTMENT BOARD

29<sup>th</sup> October 2018

Lancaster House, 36 Orchard Street,  
Lincoln, LN1 1XX

Minutes

# Minutes

## Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), Cllr Peter Wheatley (NELC), Chris Baron (Butlins), Pete Moore (Section 151 Officer), Pat Doody (Nat West), Cllr Colin Davie (LCC - by phone)

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

Observer/Presenter Paper 3: Michelle Davis (Greenborough Ltd)

Apologies: Ruth Carver, Cllr Rob Waltham, Pete Holmes

## Welcome by the Chair

### Apologies and Declarations of Interest

Formal apologies were received from the following:  
Ruth Carver, Cllr Rob Waltham, Pete Holmes

### **Declarations of Interest:**

Pat Doody declared an interest on Paper 3 (Natwest/RBS are providing a loan to Wise Software UK Ltd).

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

### Action

The minutes of the 21<sup>st</sup> September 2018 were accepted as a true record and can be published on the website.

Publish

## Paper 2 - Call for Project Ideas

There will be a call launched today for pipeline project ideas. This is in preparation for any future announcements from Government on grant funding such as the UK Shared Prosperity Fund, but also to provide alternative options should any existing projects with allocations not proceed as planned. The call will give Greater Lincolnshire a clear position by Spring 2019 on schemes that could contribute to the delivery of the SEP and emerging LIS.

The current government funding award for Growth Deal is £123.7m, all of which is provisionally allocated to projects or programmes. An analysis of the Growth Deal provisional and actual allocations by theme has been undertaken to help the GLLEP Board understand where funding has been focused within the portfolio to date. Growth Deal investment can be grouped into four themes:

- Business and Innovation: £20m on projects that boost innovation and productivity in our economy.
- Skills: £16.8m towards the Skills Capital Investment Fund programme and additional strategic projects that respond to employer need and deliver the higher level skills required

to drive growth across our economy.

- Housing: £4.2m on infrastructure that unlocks or protects housing developments in our priority places. This includes the Unlocking Rural Housing Programme.
- Transport and Infrastructure: £82.7m on infrastructure schemes and assets that provide a strategic and structured approach to connectivity and spatial planning, attracting inward investment and creating new homes and employment.

Taking on board investment by theme to date and shortfall in impact to date, the Board was asked to support the launch of a focused invitation for strategic projects. This will enable future LEP investment to be focused on under-invested areas that help to deliver the LIS and SEP, whilst still ensuring that a broad range of ideas across all key sectors are identified and considered. Projects will need to be well developed as full business cases will be requested of schemes that score well and are included on the pipeline list.

The Board requested that the forecast impact of the Growth Deal Programme from contracted and non-contracted schemes be included as part of the Growth Deal update report on the 30<sup>th</sup> November 2018.

The Board agreed the launch for project ideas.

### **Pat Doody left the room and Michelle Davies joined the meeting**

### **Paper 3 - Greater Lincolnshire Growth Fund Project – Wise Software UK Ltd (OrderWise)**

Michelle Davis provided an overview of the project.

Investment Board Directors were asked to consider the due diligence appraisal for the Wise Software UK Ltd project under the auspices of the Greater Lincolnshire Growth Fund and to approve progression to contracting stage.

OrderWise have identified a major opportunity to grow their own business by investing and developing a warehouse automation offering, which will also help their clients become more efficient and grow. They are looking to purchase a new building close to their current premises and refurbish the owned premises next door, building a link between and merging the two. The new purchased building will be fitted out accordingly and used as the test bed for the robotics and automation development.

The company is seeking £241,631.23 grant towards the overall project costs of £2,576,342.18.

The project aims to:

- Develop a picker warehouse automation system, a new arm to the business.
- Create 19 highly skilled jobs by the end of March 2025 and safeguard 5 specialised jobs
- Increase turnover by 81% and their net profit by 193% within the next 3 years.

The grant will be awarded subject to the following conditions being incorporated within the funding agreement:

- Full scheme plans and specification for the works to be provided; works to be tendered and a copy of the lowest tender to be appended to the funding agreement.
- GLGF to be invested only into capital costs of converting and refurbishing the existing buildings and constructing the new building, if market value of the building to be acquired is lower than the price being paid.
- Updated milestones for delivery of the project and forecast drawdown of GLLEP Growth Fund to be provided.
- A Red Book valuation to be provided for the building to be acquired and wider scheme once

completed as a basis against which to assess future clawback obligations should these be triggered.

- Monitoring of outputs to be undertaken.

The Accountable Body had no additional comments to make in relation to this proposal.

The Board discussed the detail behind the automation process and approved the grant.

### **Michelle Davies left the meeting and Pat Doody re-joined the meeting**

### **Paper 4 – Gainsborough Growth Project Phase 1a**

Board Directors were asked to consider the due diligence appraisal for Phase 1a of the Gainsborough Growth Project and to approve progression to contracting.

The Board first considered this scheme on the 24<sup>th</sup> August 2018; however, despite being supportive of the Living over the Shop scheme, transport model and riverside walk public realm elements, deferred their decision on the project requesting further detail on proposals for the former Lidl site and former Guildhall site.

The overall project will be split into two phases. Phase 1a will include the following:

- Former Guildhall, Whitton Gardens and Lidl town centre redevelopment which will see the construction of a 4 screen cinema, 3 restaurants/retail units and substantial public realm improvements.
- Gainsborough Transport Model: detailed modelling using the latest housing and employment trajectory to better understand the transport network bottlenecks and options appraisals on potential solutions.
- Living Over the Shop: Joint Venture Company set up with Dransfield Properties to directly refurbish some shop fronts and use the JV as a pilot for the "Living Over the Shop" scheme to convert upper storeys into flats. The conversion of town centre properties will not only assist with the delivery of residential properties in an area facing viability challenges, it will also increase footfall and vibrancy of the town centre.

The total amount of growth deal funding sought by the Council for Phase 1a was summarised as follows:

- £1m to fund the strategic public realm works within the wider development, subject to the development agreement with Muse.
- Gainsborough Transport Model £271,000
- Living Over the Shops pilot project £130,000
- Living Over the Shop roll-out £200,000
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This equates to a total GLLEP SLGF funding requirement of £1,601,000.

Total private sector match funding for Phase 1a is £11,772,845.

It was agreed that the following conditions would be included in the GLLEP funding agreement:

- ❖ WLDC to confirm when the Development Agreement has been engrossed with Muse and once in place to confirm updated milestones and programme for delivery of the scheme
- ❖ WLDC to confirm the financial and investment structure for the scheme in accordance with the outcome of the marketing and occupier interest secured
- ❖ Once the programme for delivery has been crystallised with Muse, a profile for the drawdown of the funding allocated for the public open space works to be provided along with an updated

schedule for delivery of outputs

- ❖ Confirmation of the costs of the public realm works, once these have been subject to a competitive tender process to demonstrate the amount of GLLEP funding allocated towards these works is still required at the approved level
- ❖ Updated information to be provided by WLDC as part of ongoing monitoring as to operators secured for the leisure elements of the scheme
- ❖ More detailed information to be provided for the "Living Over the Shops" roll-out programme, including units to be acquired, schedule of works to be undertaken, size of residential dwellings to be provided, programme for delivery and disposal
- ❖ Confirmation from WLDC of how they will ensure repayment of grant should the outputs ultimately not be delivered within an agreed timeframe on the Muse Development site and clawback need to be instigated (deadline to be confirmed during contractual negotiation)

The Board agreed to approve the grant subject to the above conditions.

**Any Other Business**

None