



LEP INVESTMENT COMMITTEE

5th August 2020

Via MS Teams

Draft Minutes

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<p><u>Present:</u></p> <p><u>Board Directors:</u> Pat Doody - Chair (), Cllr Colin Davie (LCC), Cllr Philip Jackson (NELC), Cllr Rob Waltham (NLC), Dean Fathers (Health), Chris Baron (Butlins)</p> <p><u>LEP Officers:</u> Halina Davies, Ruth Carver, Cathy Jones Andrew Crookham (S151 Officer), Sue Groves (Note Taker)</p> <p><u>Observers:</u> Pete Holmes (BEIS), Jo Dexter, Gary Headland, Alric Blake, Sarah Louise Fairburn</p> <p><u>Apologies:</u> None given</p>
<p><u>Welcome by the Chair</u> <u>Apologies and Declarations of Interest</u> No formal apologies were received.</p> <p>There were no declarations of interest for the items being discussed.</p> <p>Full declarations of interest can be found at https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/</p> <p>The Committee was 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>
<p><u>Minutes from 20th March 2020 (Paper 1)</u> The minutes from the Investment Committee held on 10th June were accepted as a true record.</p> <p><u>Declarations of Interest</u> Cllr Colin David - Grantham Southern Relief Road and Sleaford Growth Project Gary Headland - Skills Capital Fund Dean Fathers - Chair of the Lincoln Institute for Rural Healthcare</p> <p><u>Matters Arising</u></p> <ul style="list-style-type: none">• Genfrost Greater Lincolnshire Growth Fund project - at recommendation by the Committee an order book has been requested for review by officers prior to contracting and an update will be provided at the next committee meeting.• Stamford College has now re-started the Borderville Expansion project after a short pause due to Covid-19. All of the scheme in SLGF are now operational.
<p><u>Growth Deal Programme Update (Paper 2 - Halina Davies)</u> Following a national review, the LEP is awaiting confirmation from Government regarding the release of the final payment of £6m for 2021/21 of Growth Deal funding should be released next week.</p>

There are currently more than 85 projects on the LEP pipeline list, which is published on the website, and we will be refreshing this list via a new call for projects in the autumn.

The Committee was asked to note the progress made regarding delivery of the Growth Deal Programme during its final year, and measures being taken to ensure full SLGF grant expenditure this financial year.

Nine of the projects have been completed. In addition, eight of the nine housing schemes within the Unlocking Rural Housing Programme have fully completed, along with two of the four projects under the auspices of the Skills Capital Investment Fund Programme (EMAT, Boston and Digital Skills Hub, Stamford).

An update on projects still under delivery was discussed. The programme manager and accountable body provided background information regarding Freedoms and Flexibilities which will be utilised at financial year end to ensure grant expenditure of the Growth Deal Programme by 31 March 2020. It is envisaged that the following schemes will be subject to freedoms and flexibilities:

- Grantham Southern Relief Road.
- Sleaford Growth Project Phase 2 (Holdingham Roundabout)
- The Bridge Advanced Engineering R&D Centre
- Skills Capital Investment Fund Programme
- Unlocking Rural Housing Programme - Final scheme (Boston Quadrant Affordable Housing)

Decision:

The Investment Committee endorsed the approach proposed to manage completion of the SLGF programme.

Getting Building Fund Update (Verbal - Halina Davies)

Announcement on the 4th August that Greater Lincolnshire LEP had been allocated £25.8m following review by Government of the final LEP Getting Building Fund (GBF) submission. Full business cases will be requested as soon as possible, with a thorough due diligence being carried out before the schemes/programmes can move to contracting stage.

Next week an Open call for projects for the Skills Capital Investment Programme will be released and it is expected there will be a lot of interest. Once submissions have been received and reviewed after the closing date of the 8th September, the Board will discuss officer recommendations for allocations at the next available Investment Committee meeting.

The funding for GBF should be released next month, with financial profiling evenly split over two years. The principles of Freedoms and Flexibilities are not known at this stage, but as the funding was for "shovel-ready" projects, the progress of the projects will be closely monitored by Government Ministers.

Review of Programme Management fee arrangements for GL LEP funded projects/programmes (Paper 3 - Halina Davies)

This paper set out what the costs have been to run and manage the Growth Deal Programme. Due diligence and legal costs are likely to increase, pipeline schemes need to be reviewed and assessed, and expected government spending review announcements in the autumn on future funding bids would require further programme related management costs.

Board members were asked to endorse an increased standard percentage charge from 0.5% to 1% of each new project/programme, based on known requirements to date and expected future requirements. This will in the main reflect the relative complexity of each scheme and ensure that the charges applied are commensurate with the level of technical work and expertise required in appraising the respective applications. It was noted that most schemes take an average of two years to complete (some much longer), requiring programme management for the whole of that period. The revised % would be applied in relation to all new programme bids 5 August 2020 onwards if the approach was endorsed.

The Accountable Body will report on LEP programme management costs quarterly to the Finance and Audit Committee/Board and we recommend that programme management fees are reviewed by the Investment Committee annually.

Decisions:

- ❖ Agreed that Greater Lincolnshire LEP continues to apply fees for programme management, project appraisals, financial and legal costs for all LEP projects/programmes included in future funding allocations from government;
- ❖ Approved a flat percentage approach of 1% for charges effective from August 2020;
- ❖ Investment Committee to review the programme management fees annually, with the Accountable Body reporting quarterly on expenditure levels to GLLEP Finance and Audit Committee and Board.

International Bomber Command Centre Update (Paper 4 - Cathy Jones)

The original £800k loan was contracted in May 2015. At that time, the organisation did not have sufficient assets to underwrite the loan, hence it was guaranteed by 8 individuals via separate loan guarantee agreements. The loan was due for repayment in May 2020, but in early 2020, the trustees sought an extension to their Invest and Grow loan to delay the repayment date and help weather the emerging impact of Covid 19 on the visitor economy.

Decision

A Deed of Variation to the existing loan agreement for the remaining amount has been agreed, to enable an extension to the loan repayment over a three year period to be put in place for the sum of £585.23 with a grant of £164,772.

Next Investment Board Meeting

To be confirmed via email as required.