



GLLEP INVESTMENT BOARD

11th November 2020

Microsoft Teams

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
15:00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> FOR APPROVAL - Minutes 5th August For INFO - IB Terms of Reference FOR INFO - Approved Paper on Skegness Business Park Variation to contract - for Information 	Chair	Paper 1 attached Paper 1.1 attached Paper 2 attached
15:05	FOR INFO Getting Building Fund (GBF) Update	Halina Davies, LEP	Paper 3 attached
15:15	<u>DECISION - Holbeach FEZ Phase 2- GBF</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £6,432,161 NOT FOR PUBLICATION	Halina Davies, LEP	<u>Commercial in Confidence</u> Papers 4 and 4.1 attached
15:25	<u>DECISION</u> Invest and Grow Fund Application Haatch Desks <ul style="list-style-type: none"> Recommendation Report EOI 	Cathy Jones, LEP	Paper 5 and 5.1 attached
15:45	<u>DECISION Immingham to Grimsby Cycle Superhighway scheme GBF</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £2,254,215 	Halina Davies, LEP	Papers 6 and 6.1 attached
16:05	<u>DECISION - Skills Capital Investment Fund Programme GBF</u> <ul style="list-style-type: none"> Report on Recommendations for Project Allocations Economic Assessment Report Scoring Analysis Scheme and Course Information Value of Grant: £8,344,192 	Halina Davies, LEP	Papers 7 and 7.1 Attached Appendices 1 & 2 attached
16:25	<u>DECISION Lincoln Science and Innovation Park Phase 2 GBF</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report <u>Commercial in Confidence</u> Value of Grant: £3,464,738 	Halina Davies	Paper 8 attached and 8.1 <u>Commercial in Confidence</u> attached
16:45	<u>DECISION - Europarc FEZ unit disposal- SLGF</u> <ul style="list-style-type: none"> Review of valuation and Recommendation Red Book Valuation NOT FOR PUBLICATION	Halina Davies, LEP	<u>Commercial in Confidence)</u> Paper 9 and Appendix A attached
16:55	AOB and close of meeting	All Members	

Directors: Pat Doody, Cllr Colin Davie, Cllr Philip Jackson, Dean Fathers, Chris Baron

Apologies: Nick Worboys (observer), Cllr Rob Waltham, Andrew Crookham (S151 Officer)

Observers: Pete Holmes (BEIS), Cllr Craig Leyland, Linsay Hill Pritchard (Accountable Body)

Not replied: Zoe King as an Observer

Officers: Ruth Carver (GLLEP), Halina Davies (GLLEP), Cathy Jones (GLLEP), Sue Groves (Note Taker)

11/11/2020 GL LEP Investment Board - Conflict of Interest Table

Board Member	Project	Conflict
Cllr Colin Davie	Holbeach Phase 2	LCC are applicants
Cllr Phillip Jackson	Cycling Programme - Papers 6 and 6.1 Europarc FEZ Unit Disposal - paper 9	NELC are applicants

Quorum rules

A quorum shall vary dependent on fund values to be voted upon. For projects with a value under £2 million, three members of the investment committee are required. For projects with a value above £2 million, four members of the investment committee are required. In each case, these require at least one Private Sector Director and one Non-Private Sector Director

GL LEP INVESTMENT BOARD

5th August 2020

Via MS Teams

Draft Minutes

Draft Minutes

<u>Present:</u>	
<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)
<u>LEP Officers:</u>	Halina Davies, Ruth Carver, Cathy Jones Andrew Crookham (S151 Officer), Sue Groves (Note Taker)
<u>Observers:</u>	Pete Holmes (BEIS), Jo Dexter, Gary Headland, Alric Blake, Sarah Louise Fairburn
<u>Apologies:</u>	None given
<u>Welcome by the Chair</u> <u>Apologies and Declarations of Interest</u> No formal apologies were received. There were no declarations of interest for the items being discussed. Full declarations of interest can be found at https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/ The Board 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.	
<u>Minutes from 20th March 2020 (Paper 1)</u> The minutes from the Investment Board held on 10 th June were accepted as a true record. <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 <u>Matters Arising</u> <ul style="list-style-type: none">• Genfrost Greater Lincolnshire Growth Fund project - at recommendation by the Board 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.	
<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. 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 Board 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 Board 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 Board 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 Board 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 Board 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.

GREATER LINCOLNSHIRE LEP LIMITED (GLLEP)
INVESTMENT COMMITTEE TERMS OF REFERENCE

ADOPTED BY RESOLUTION OF THE BOARD ON 29th November 2019

Terms defined in the articles of association of the GLLEP shall have the same meaning in these terms of reference.

1. CONSTITUTION

The Committee was constituted at a full meeting of the Board held on 29th November 2019 in accordance with the Articles.

2. DUTIES AND TERMS OF REFERENCE

2.1 The Committee shall ensure a commissioning approach is taken to develop programmes and projects to deliver the Strategic Economic Plan. This will be achieved through:

- (a) Assessment of proposed bidding rounds/funding opportunities and making recommendations
- (b) a strategic assessment of pipeline projects
- (c) a final strategic assessment of projects with recommendations to contracting stage;

2.2 The Committee shall:

- (a) Operate within the relevant policies and procedures of the Greater Lincolnshire LEP; and
- (b) review and approve the statements to be included in the annual report.
- (c) regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Committee and make recommendations to the Board with regard to any changes;
- (d) keep up to date and fully informed about strategic issues and commercial changes affecting the GLLEP and the market in which it operates; and
- (e) work and liaise as necessary with the Board and other committees.

2.3 The Committee shall consider such other matters as may be requested by the Board.

3. FUNDING PROGRAMME

3.1 The Committee shall apply the same procedures and rigour to applications irrespective of the funding stream being sought. Any special considerations and rules for particular funding streams will be brought to the Committee's attention.

3.2 Decisions of the Committee shall be subject to approval by the Accountable Body (or Bodies) for the funding streams being sought: the Committee has no delegated authority in respect of any public sector funding stream.

3.3 The Committee will consider projects seeking grant in excess of £100,000. The Committee will monitor the performance of projects under £25,000 by exception.

4. MEMBERSHIP

4.1 The members of the Committee shall be appointed by the Board and may be removed at any time by the Board. The majority of the members of the Committee should be Private Sector Directors.

- 4.2 The Committee shall have at least three members and no more than eight members and shall include at least two Private Sector Directors.
- 4.3 Appointments to the Committee shall be for a period of up to three years, which may be extended for further periods of three years provided the member still meets the criteria for the membership of the committee.
- 4.4 The Board shall appoint the Chair of the Committee who should be either the Chair or a Deputy Chair of the Board.

5. ATTENDANCE AT MEETINGS

- 5.1 The Committee will meet at least four times a year. The Committee may meet at other times during the year as agreed between the members of the Committee or as otherwise requested by the Board and may approve recommendations via written procedure.
- 5.2 Only members of the Committee have the right to attend Committee meetings but other Directors and Members, Member Representatives, other persons and external advisers may be invited to attend all or part of any meeting as and when appropriate as observers provided that that such parties agree to be bound by the Observer Code of Conduct and shall be entitled to speak at the meeting with the prior permission of the Chair but shall not be entitled to vote.
- 5.3 Any member may participate in a meeting by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can communicate with each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting and, subject to the Articles, the Statutes and these terms of reference, he or she shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chair of the meeting is.
- 5.5 An identified senior LEP officer or his or her nominee shall be the secretary of the Committee.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Chair of the Committee or the Board.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member and any other person required to attend no later than seven business days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and other attendees (as appropriate) at the same time and minutes published on the website.

7. QUORUM

A quorum shall vary dependent on fund values to be voted upon. For projects with a value under £2 million, three members of the investment committee are required. For projects with a value above £2 million, four members of the investment committee are required. In each case, these require at least one Private Sector Director and one Non Private Sector Director.

8. DECLARATION OF INTEREST

Whenever a member has an interest in a matter to be discussed at a meeting the member so conflicted shall immediately declare the nature of the conflict or potential conflict and withdraw from any meeting where the conflict would be relevant unless the necessary authority as set out in the Articles has been obtained.

9. VOTING ARRANGEMENTS

- 9.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee, or by proxy vote.
- 9.2 The general rule about decision-making by the Committee is that any decision of the Committee must be a majority decision at a meeting (or a decision taken in accordance with paragraph 9.5 of these terms of reference) provided that no decision shall be made at any meeting (or in accordance with paragraph 9.5 of these terms of reference) or unless at least three members have voted in favour of such decision.
- 9.3 If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, save as otherwise approved by the Board in accordance with the Articles, that member shall not be permitted to vote at the meeting.
- 9.4 Save where he or she has a personal interest, the Chair will have a casting vote.
- 9.5 A resolution in writing, sent to all members entitled to receive notice of a meeting of the Committee and signed by a majority of the members shall be valid and effectual as if it had been passed at a meeting of the Committee duly convened and held and may consist of several documents in materially the same form each signed by one or more member.

10. AUTHORITY

The Committee is authorised by the Board to examine any activity within its terms of reference and is authorised to obtain, at the GLLEP's expense, professional advice on any matter within its terms of reference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

11. REPORTING

- 11.1 The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted by the secretary of the Committee. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be submitted to the Board as a formal record of the decisions of the Committee on behalf of the Board unless it would be inappropriate to do so.
- 11.2 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.3 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 11.4 The Committee shall produce a financial year end report to be included in the GLLEP's annual report about its activities.

12. GENERAL MATTERS

- 12.1 The Chair of the Committee should make themselves available at each annual general meeting of the GLLEP to answer questions concerning the Committee's work.
- 12.2 The committee shall duly sign and return the LEP's Code of Conduct and Declaration of Interests on an annual basis.
- 12.3 The committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

- 12.4 The committee shall have access to sufficient resources in order to carry out its duties, including access to the identified senior LEP Officer for assistance as required.
- 12.5 The committee shall be entitled to invite relevant third parties to attend any meeting of the Committee as observers providing that such third parties agree to be bound by the Observer Code of Conduct and shall be entitled to speak at meeting of the Committee with the prior permission of the Chair but shall not be entitled to vote.
- 12.6 The committee shall give due consideration to all laws and regulations as appropriate.

Reference 5: Investment Committee Terms of Reference
Reviewed: November 2019
Review Date: November 2021
Reference Lead Officer: Halina Davies

Paper 2 Skegness Business Park Contract Variation

Publication	Confidential					
Meeting date:	11 November 2020					
Agenda Item:	2					
Item Subject:	Written Procedures Paper 29 September 2020 - Contract Variation Proposal for Skegness Business Park					
Author:	Halina Davies					
For:	Discussion		Decision		Information	x

1. Purpose

- 1.1 The purpose of this report is to share with the Investment Board the proposed variation to contract for the Skegness Business Park scheme to ensure delivery of contracted outcomes.

2. Recommendations

- 2.1 The LEP Investment Board considered and agreed the contract variation option proposed by Lincolnshire County Council (LCC) as grant recipient for the scheme in order to address unforeseen impacts of the COVID-19 pandemic.

3. Background

- 3.1 The delivery of the Phase 1 scheme at Skegness Business Park is progressing well and despite initial concerns relating to construction activity due to the COVID-19 crisis, LCC entered into a contract for the highway construction works with GF Tomlinson Building Ltd. Works began on site in August 2020 and stabilisation works have recently been completed.
- 3.2 However, the extremely wet weather experienced last winter has exacerbated the existing poor ground conditions of site, with the results of a ground investigation survey confirming that the designs for the foundations for both the road and the buildings need to be enhanced. To mitigate this deterioration an increased design specification was necessary to provide a solid base for the foundations, which requires a piled foundation for the buildings and an additional stabilisation procedure to be included in the construction of the road.
- 3.3 Unfortunately, this combined with the fallout out from the COVID-19 pandemic has impacted significantly on the total tendered cost of the scheme and the budget. As such, it has been necessary for LCC to review their current budget profiles and to consider the potential options for resolving this funding shortfall, whilst where possible not impacting on delivery timescales.
- 3.4 Following this review, LCC agreed to proceed with the construction phase of the enabling highway works at an estimated cost of £1.8M, whilst seeking alternative funding streams to enable the construction of the industrial units, crucial for our project outputs.

4. The Variation Request

- 4.1 In light of these unforeseen issues LCC has hereby requested consideration to be given for a contract variation. This variation will enable LCC to deliver the industrial units as outlined in their application and contract with the assistance of additional 3rd party funding.
- 4.2 A Market View and Option Appraisal were undertaken by Gleeds Management Services on behalf of LCC to review the following four options in this regard and Option 1 was identified as the preferred route forward.
 1. A straight sale of 0.5 Ha of land to a developer with LCC creating positive obligations for any buyer to build a minimum of 6000 sq ft of industrial units

Paper 2 Skegness Business Park Contract Variation

2. A sale of 05.Ha of land to a developer and with a lease back option to the council, of the finished product to then sublease.
 3. A Joint venture with a developer, whereby the council includes the land and the developer builds the site out.
 4. A contractual partnership arrangement with another public body.
- 4.3 Following consideration of this proposal at the LCC Economic Development Capital Programme Board, a straight land sale with LCC giving a positive obligation for the purchaser to build a minimum of 6000 sqft of industrial units on the site was endorsed for LEP review.
- 4.4 To enable this option to be taken forwards, a procurement exercise has been undertaken at risk by LCC with 7 agents being invited to tender for this work and following an appraisal of the 5 responses received, Banks Long and Co have been chosen as the appointed agent should the process be endorsed.
- 4.5 Although not formally advertised yet, we are told there is already local interest in the land concerned.
- 4.6 Despite its challenges the scheme has made excellent progress during the last 18 months demonstrating LCC's commitment to the successful delivery of this project and the economic benefit it will bring to Skegness.
5. **The Decision**
- 5.1 In accordance with the GLLEP's contractual conditions GLLEP officers sought the GLLEP Investment Board's approval to this contract variation via written procedures on the 29th September 2020 based on the proposals outlined as Option 1 above. The variation proposal was formally approved on the 6th October.

PAPER 3

GETTING BUILDING FUND UPDATE REPORT

Publication	Public Paper (published)					
Meeting date:	11 November 2020					
Agenda Item:	3					
Item Subject:	Report on Getting Building Fund Programme Progress					
Author:	Halina Davies					
For:	Discussion		Decision		Information	Yes

1. SUMMARY

- 1.1 The Investment Board is asked to note the progress made in delivery of the Getting Building Fund Programme, and measures being taken to ensure 50% of grant expenditure this financial year.

2. BACKGROUND

- 2.1 On the 11th June 2020 Greater Lincolnshire key stakeholders were approached by government to identify local priorities that could be deliverable by March 2022.
- 2.2 By the 17th June GLLEP Investment Board agreed 7 priority schemes/programmes totaling £45.67m and on the 18th June a bid submission was made to the Cities and local Growth Unit.
- 2.3 The Prime Minister announced a new Getting Building Fund of £900m on the 30th June and on the 1st July the GL LEP indicative financial envelope from this overall pot was confirmed as £25.8m.
- 2.4 The following schemes were confirmed for provisional funding allocations by the secretary of state in early August:

Scheme	Applicant	Grant Ask	RAG
Centre for Innovation in Rural Health	UOL	£1.32m	Green
Holbeach FEZ Phase 2	LCC	£6.45m	Green
Killingholme Pumping Station	NLC/Able	£4.37m	Amber
Cycle Programme	GLLEP	£2.56m	Green
Skills Capital Fund Programme	GLLEP	£7.6m	Green
Lincoln Science & Innovation Park Phase 2	LSIP	£3.5m	Green

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GETTING BUILDING FUND UPDATE REPORT

Total		£25.8m	
To Note: it was agreed by GL LEP Board on the 24 July 2020 that should any of the above prove undeliverable post due diligence or need to withdraw, the allocation would be subject to a change request to reallocate the funding to the Skills Capital Investment Fund which received a reduced allocation.			

- 2.5 A letter from MHCLG was sent to the LEP Chief Executive on the 18th September clarifying funding requirements and setting out when and how the grant funding will be released to the Accountable Body. The grant determination letter was received by GL LEP on the 15th October. The programme must be fully contracted and delivered by March 2022 with all grant funding having been drawn down by the 31 March 2022.
- 2.6 Total project costs come to £36.5m and with government expecting £12.9m of the £25.8m grant to be spent by 31 March 2021, there is a great deal to be achieved in a very short space of time.
- 2.7 Grant funding requirements as stipulated by Government are as follows:
- To be used to support the Getting Building Fund (GBF) projects agreed between you and the Government set out in the Getting Building Fund agreement.
 - To be used to secure the outcomes set out in the Getting Building Fund agreement.
 - That all funding allocated in the financial year 2020-21 would be expended by 31 March 2021. The LEP will need to work with the accountable body in order to use freedom and flexibilities to manage capital budgets between programmes. For the avoidance of doubt government expects all Getting Building Fund monies to be expended by the end of the programme, 31 March 2022. Any changes to the list of projects must be agreed in writing with the Department via a change request.
 - Grant to be deployed solely in accordance with decisions made through the local growth assurance framework agreed between the LEP and the Accountable Body. This must be compliant with the standards outlined in the National Local Growth Assurance Framework.
 - We must track project progress against core metrics and outcomes, in line with monitoring and evaluation in the National Local Growth Assurance Framework. We must also provide quarterly monitoring reports to update on progress and track performance against agreed outputs.
 - That the LEP and Accountable Body will communicate the on-going outcomes and outputs of the Getting Building Fund projects, following the branding guidance to ensure that local people understand how Government money is being spent.

PAPER 3

GETTING BUILDING FUND UPDATE REPORT

Monitoring

- Throughout the delivery period the Cities and Local Growth Unit's area team will liaise with GL LEP on a regular basis. From time to time they may inspect GBF funded projects and may require additional information from you to enable us to monitor progress.

Other

- LCC is reminded that, as accountable body for GL LEP, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law.
- The LEP and Accountable Body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.
- For the avoidance of doubt, Government may withhold further instalments of payment if GL LEP do not comply with the performance monitoring requirements or where in their opinion progress on the project delivery is not satisfactory or the future of the project/s supported is/are in jeopardy.
- Towards the end of each financial year Government will hold an Annual Performance review meeting. This will be used to gain assurance the programme is on track and that further funding can be released.

3. PROGRESS TO DATE

- 3.1 Good progress has been made despite the tight timescales provided and business case submissions have been shared with GL LEP for all identified schemes and programmes throughout September and October.
- 3.2 The template for the GLLEP Contractual Funding Agreement has been prepared and subject to decisions being made on the 11 November will be ready for legal processes to enable grant applicants to secure the funding to begin.
- 3.3 Due diligence reports are being shared with the Investment Board for consideration to move to contracting stage for the following projects today:

Holbeach FEZ Phase 2	Papers 4 and 4.1 attached
Lincoln Science and Innovation Park Phase 2	Papers 5 and 5.1 attached
Cycling Programme - Immingham to Grimsby Cycle Superhighway scheme	Papers 6 and 6.1 attached

PAPER 3

GETTING BUILDING FUND UPDATE REPORT

- 3.4 The call for projects to make up the GBF Skills Capital Investment Programme closed in early September 2020 and recommendations for the provisional allocations are being made to the Investment Board today (Papers 7, 7.1 and Appendix 1). Once determined the individual schemes will be asked to submit any remaining information required to complete due diligence as soon as possible, hopefully before the end of December 2020.
- 3.5 The Centre for Innovation in Rural Health has already been through a full due diligence process for the entire scheme, and a deed variation to contract will be instigated via the accountable body as soon as possible to increase the existing contractual commitment from £1.26m to £2.57m.
- 3.6 Risks and mitigation measures for the programme are identified in individual due diligence reports.
- 4.0 **COMMENTS FROM THE ACCOUNTABLE BODY**
- 4.1 Lincolnshire County Council is committed to continue to support the LEP as their accountable body in discharging the requirements of the fund. Work is currently under way to set up the required reporting mechanisms with government and all decision making on the programme has been supported by the agreed processes within the Local Assurance Framework.
- 5.0 **CONCLUSION**
- 5.1 The Board are asked to note progress of the Getting Building Fund programme to date.

PAPER 4

HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

Publication	Commercial in Confidence (Version without Section 12 to be published only)					
Meeting date:	11 November 2020					
Agenda Item:	4					
Item Subject:	Holbeach FEZ Phase 2 – Approval to Contracting					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper seeks Investment Board approval to contracting stage for the Holbeach FEZ Phase 2 project. The project is being considered as part of the Getting Building Fund Programme.

2. BACKGROUND

- 2.1 The Holbeach FEZ Phase 1 Project was contracted between Lincolnshire County Council (LCC) and the Greater Lincolnshire LEP (GL LEP) in March 2018 with a grant contribution from the Growth Deal Programme of £2,985,000. The Phase 1 scheme was focused on infrastructure support within the site.
- 2.2 A submission to accelerate Phase 2 of the project was submitted to the government as part of a Getting Building Fund bid made by the Greater Lincolnshire LEP and a provisional allocation of £6,432,161 was approved by the Secretary of State towards the scheme which includes a contribution towards project management fees.
- 2.3 The land parcels identified for the FEZ site were mainly in agricultural use prior to the commencement of the scheme. The FEZ has benefited from the adoption of a Local Development Order (LDO) by SHDC in November 2018 which simplifies planning arrangements for the site, including the planning application process.
- 2.4 LCC and stakeholders have agreed an indicative layout and mix of premises for the FEZ which will extend to circa 16 hectares (40 acres) once fully built out and provide a mix of employment and education space including crop development facilities, research and development, packaging and food processing uses.
- 2.5 The scheme is located approximately one mile to the west of the University of Lincoln National Centre for Food Manufacturing and will benefit by creating links with the occupiers of this site.
- 2.6 The University is currently constructing a purpose built Food Centre of Excellence on Phase 1 of the FEZ and construction is due to complete in February 2021. This will provide a very strong "anchor" occupier. A new Institute of Technology is also being considered for development on the site and forms part of a bid to the Skills Capital investment Programme element of the Getting Building Fund.

3. THE PROJECT

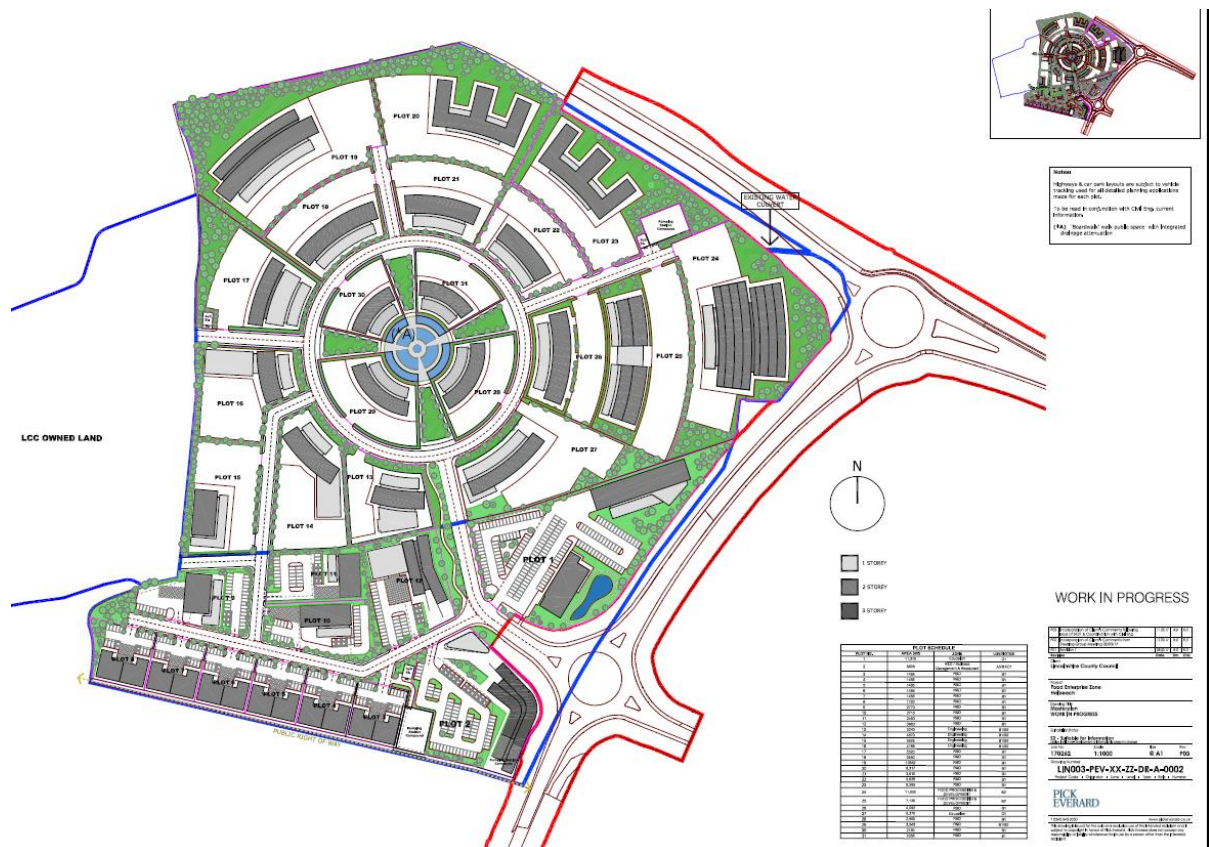
PAPER 4

HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

- 3.1 Land and property values in South Lincolnshire are relatively low compared with the rest of the UK, this can inhibit development, especially when exceptional or abnormal development costs are incurred. The high costs of providing utility and highway infrastructure to serve the FEZ site have meant that public sector investment is required to ensure viability and to help "pump prime" the scheme.
- 3.2 This Phase 2 element of the overall £13,795,051 Holbeach FEZ Project will enable additional 220m of site access road infrastructure and a brand new Hub building for the FEZ site.
- 3.3 This is a programme of investment that will unlock large scale economic growth in the rural area of Holbeach and across south east Lincolnshire. The South Lincolnshire Food Enterprise Zone (FEZ) will create business growth opportunities for the agri-food sector and its associated supply chain of businesses located in South Holland and the wider region.
- 3.4 The construction of the site road will extend to the western boundary of the site effectively providing access to the remaining eight plots on Phase I of the FEZ development. LCC expects to take advantage of economies of scale by reappointing the contractor responsible for the construction of the already completed road works within the Phase 1 scheme.
- 3.5 The new "Hub" building will provide high quality business space and collaboration space for small to medium sized enterprises and start-up businesses working in the food supply chain and related sectors. The scheme will also open up a series of employment sites for larger businesses to locate to and the close proximity of these businesses to the Centre of Excellence will provide important employment opportunities, especially for higher skilled jobs, and facilitate the exchange of ideas and cutting edge technologies for the food manufacturing sector.
- 3.6 Visioning work carried out in winter 2019/20 confirmed the need for a new Hub building to be constructed on Phase I of the FEZ. Plot 12 (see masterplan drawing below) has been earmarked for the construction of the building due to the site's prominence and central location within the scheme, and ground investigation work has already been carried out on the subject site.
- 3.7 The 1,422 sqm Hub is likely to be operated by the public sector in order to align with the provision of other support in skills, business and innovation and because it may not be a viable stand-alone scheme in the initial years. The building currently being designed with the support of Core Architects and Gleeds consultancy will include business support, catering facilities and space for networking/collaboration. With flexibility being built in to the design and the location allowing for future expansion, the Hub will eventually house additional workshop/kitchen space, and potentially conference facilities. The building will be instrumental in the creation of a "community" within the FEZ. It will be built to a high design and energy efficiency standard recognising that it will set the design standard expected for future development on the FEZ.

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HOLBEACH FOOD ENTERPRISE ZONE PHASE 2



3.8 The approval of the Phase 1 scheme by the GL LEP Board and subsequent contracting of the FEZ project considered the FEZ to be a single project albeit subject to delivery in two discreet phases. It is understood therefore that the approval of Phase 2 will be considered by the Board on individual merit; however, the contracting of Phase 2 would also legally require a variation into the contract already in place for the Phase 1 scheme to show the relationship between the two contracts..

4. FUNDING

4.1 The Phase 2 project requires £8,500,000 to be fully delivered with a Getting Building Fund grant of £6,367,881 contributing to the design and construction costs. LCC will also contribute a further 0.5% towards due diligence, legal and management fees.

PAPER 4

HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

4.2 LEP funding would be spent on:

- Construction of an additional 220m of Phase I site service road - £1.37m
- Design and Construction of a 1,422 sq. m "Cluster Hub" Building on Phase I - £5m

4.3 Match funding already secured would cover the cost of the land acquisition element of the Phase 2 scheme. This is classed as an accelerated GBF project, hence £4.44m of match funding will be contracted against the overall project should the GBF allocation be approved today.

5. OUTPUTS

5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is considered to provide good value for money. Displacement is unlikely as the FEZ is part of a much wider local and national strategy, which is a new employment site and facility specifically set up with the political support of DEFRA, to safeguard and build resilience in the Agri-food sector. Additional outputs which would be achieved as a result of the Getting Building Fund Investment are:

	2019/20	2020/21	2021/22	2022/23	2023/24	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Public Investment Leveraged (£)			£2,100,000				£2,100,000
Private Sector Investment Leveraged (£)							
ii) Local Strategic Outputs							
Jobs Created						973	973
Commercial floor space refurbished/constructed and occupied (sq.m)				1,422			1,422
Number of businesses assisted to improve performance						31	31
Number of new businesses created						22	22
GVA Uplift							
i) Others (please list) *							
Area of land developed (hectares)						11.39	11.39
Length of roads constructed (m)			220				220
Commercial floor space enabled (sq.m)						39,593	39,593
Construction Jobs			50	50			100

6. PROJECT MILESTONES

6.1

Milestone	Forecast Date
Due Diligence	October 2020
Terms and price for delivery of the section of road to be agreed with the contractor	October 2020
Commencement of roadworks on site	October 2020
Contract variation with GLLEP	November 2020
Hub Planning Application submitted	November 2020
Hub detailed design completed	December 2020

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HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

The following milestones would apply to delivery of the scheme	
Completion of land acquisition	December 2020
Hub Planning Permission secured	January 2021
Hub Procurement process issued	January 2021
Hub Procurement contracts awarded	February 2021
Hub works commence onsite	March 2021
Completion of road extension works	April 2021
Completion of Hub construction	March 2022

- 6.2 As the due diligence report points out the programme for delivery of the Hub building appears to be ambitious, however detailed discussions with LCC have confirmed that the detailed design of the scheme is well advanced and it is not anticipated that the programme for delivering the Hub will slip.

7. DEMAND AND NEED

- 7.1 There is evidence of a lack of commercial business space in Holbeach and the surrounding area and the development of the subject land and construction of the Hub building with small business units included in the design would allow new start up business units and grow on space to be provided in order to meet demand, especially in the agri-food sector.
- 7.2 The area is particularly important to the UK for European consolidation in the food processing/manufacturing sector. The Collison and Associates Visioning Report completed in February of this year noted that the granting of the LDO, the development of enabling infrastructure and the construction of the first two buildings on the FEZ for the University have created a momentum for the development and stressed the importance for this momentum to be maintained. It identified a number of "next steps" which were important to maintain this momentum including the construction of a Hub building and the acquisition of third party land for Phase II
- 7.3 South Holland District is the food chain capital of the UK, with 38% of its GVA derived from the industry compared to 3% nationally and the industry supports 42% of its employment compared to 4% nationally. This specialisation and concentration is also seen, but to a slightly lesser extent, across the whole South Lincolnshire and wider Fens area.

8. RISK ANALYSIS & DELIVERABILITY

- 8.1 Whilst there are risks associated with this scheme a number of clear mitigation measures have been identified. Deadlines are tight and any slippage to the programme would need to be brought back on track to ensure that government deadlines for grant expenditure can be met.

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HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

8.2 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation	To be a Condition of Funding
Works funding package does not come together in a timely fashion—GLLEP, LCC, SHDC.	LCC and GLLEP	Low	High	Regular monitoring arrangements in place via scheme Programme Board	Provision of programme. yes - pre-drawdown
COVID-19 recovery phase diverts resources	All	Medium	Medium	Unless there is a second "spike" working arrangements in place to resume project delivery	To be subject to ongoing monitoring.
Costs higher than Estimated				Less of an issue for the road. The Hub will be subject to detailed design and costing to ensure it falls within the £5 m budget.	Yes - pre-drawdown. LCC to confirm that variations will be explored with the contractor to reduce costs and/or will meet cost overruns.

9. COMMENTS FROM THE ACCOUNTABLE BODY

9.1 The overall scheme provides a strong strategic fit and has demonstrated good value for money within the due diligence process. Phase 1 is currently on target and claims submitted within the quarter 2 period have been on profile. Several key risks have been identified and we note the mitigation measures. Given the tight timeframes involved in delivering the scheme we would move to monthly monitoring meetings with the project team. Should the recommendation be accepted the legal team have advised that the SLGF contract be varied (reducing the overall costs) and the Getting Building Fund element be contracted separately.

10. CONDITIONS OF GRANT

10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contract Variation

- Final cost of the Phase 1b road as agreed with the contractor to be confirmed to GL LEP once settled.

Pre-Drawdown

- An updated programme for delivery of the construction of the section of 1b road to be provided when agreed with the contractor

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HOLBEACH FOOD ENTERPRISE ZONE PHASE 2

- An updated works programme to be provided for the Hub building as this progresses for future monitoring of this element of the scheme in accordance with current milestones
- A quarterly profile of expenditure to be provided to GL LEP for each element of the project

Post Contracting

- A copy of the report and tenders and contracts to be provided to GL LEP for the Hub building when available
- Once the detailed design and proposals for the operation of the Hub building are completed, an operational cashflow for the building over a twenty year period to be provided to show any operational profit that may be materialised and when clawback arrangements may require to be invoked.

11. RECOMMENDATION

11.1 It is recommended that GL LEP Getting Building Fund grant totalling £6,432,161 (which includes £32,161 of GLLEP Fees) be approved by the GL LEP Investment Board towards the scheme subject to the conditions detailed above, and that it proceeds to contracting stage to enable a contract variation for the overall scheme. The net amount of GBF funding recommended for delivery of the project is therefore £6,367,881.

11.2 LCC is to provide a further contribution of £32,161 (0.5%) programme management fees to the project.

PAPER 5 INVEST & GROW EOI: HAATCH / 1904

Publication	Public Paper (published)					
Meeting date:	11 November 2020					
Agenda Item:	5					
Item Subject:	Invest & Grow EOI: Haatch / 1904					
Author:	Cathy Jones					
For:	Discussion		Decision	X	Information	

1. SUMMARY

- 1.1 An Expression of Interest application has been received from a project seeking £2-2.5m to develop new office/meeting room spaces.

2. BACKGROUND

- 2.1 Haatch Desks Ltd was founded in Stamford by Scott Weavers-Wright, Elaine Weavers-Wright and Fred Soneya in September 2013. The company provides incubator and growth space and invests in early-stage technology companies under the Haatch umbrella. Other companies past and present within the group include Kiddicare and Elevaate.
- 2.2 Haatch Desks Ltd offers office/meeting room spaces in Stamford and Peterborough. It provides flexible space from daily desks to long term, multi-desk and office packages, currently hosting over 200 highly skilled digital people.

3. THE PROJECT

- 3.1 The company is committed to purchasing a property and has submitted an Expression of Interest (EOI) form seeking approval to apply for an Invest in Grow loan to support the new project.
- 3.2 The applicant seeks to develop new office/meeting room spaces at St. Martin's Park in Stamford, in an existing building which the applicant describes as iconic to Stamford and which is currently owned by SKDC. The project does not have planning consent but the applicant would only expect to purchase with planning consent in place.
- 3.3 The EOI does not meet the aim of the Fund, which is to unlock stalled infrastructure. In this project there are the inevitable development uncertainties but no infrastructure constraints have been identified.
- The applicant states they have other options to fund and deliver the project.
 - The sale has not yet been agreed and the applicant does not yet know if the building will have to be completely demolished and rebuilt, or if refurbishment will be possible.
 - The EOI states that the project would have the capacity to create 300+ highly skilled digital jobs. This was subsequently confirmed to be based on the project's capacity to host 300 desks. A small team would ultimately be employed in the refurbished building (cleaners, Community Managers etc.) but clearly this would be nowhere near 300 jobs. Additional evidence on how the skilled job creation could be achieved would need to be provided by the applicants if the application was progressed further.

PAPER 5 INVEST & GROW EOI: HAATCH / 1904

- Costs are very rounded and the applicant is seeking more than the £1.9m we currently have available (£2-2.5m).

4. STATUS OF THE INVEST AND GROW FUND

- 4.1 The GLLEP Board of Directors has recently confirmed the intention to close the remaining recycled Invest and Grow Fund and repurpose this funding as part of our Covid response and recovery planning. The £1.9m unrecycled Invest and Grow funding remained open in the meantime, pending BEIS confirmation that it could potentially also be repurposed for alternative capital grant/loan use. Flexibility for the additional £1.9m has now been confirmed by government and the secretariat will consider for Board approval how this funding might best be utilised going forward.

5. RECOMMENDATION

- 5.1 It is not recommended that this project proceeds to the full loan application stage because it does not meet the aims of the Fund: there are no real constraints and the applicant has stated that they have other sources of funding available to deliver the project. If the project meets the criteria of any repurposed funding, they will be able to reapply in due course.

Invest and Grow Fund

Expression of Interest 2013

Title of Scheme	1904
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Section 1 : Contact Details	
Name	Hannah Purser
Position	Admins and Account Manager
Organisation	Haatch Desks Limited
Address	The Hub, Blackfriars Street Stamford PE9 2BW
Telephone Number	01780 408490 / 07935 933760
E-Mail Address	hannah@haatch.com

Date Submitted	5 th October 2020
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Section 2 : Project Description

- a) Please provide a clear summary of the project including the nature of the overall project and details of how the investment being sought will be used.

Haatch was founded in Stamford by Scott Weavers-Wright, Elaine Weavers-Wright and Fred Soneya in September 2013 on the back of Scott & Elaine's successful kiddicare.com exit to Morrisons. Since founding, we have been supporting, providing incubator and growth space and investing in early-stage technology companies under the Haatch umbrella. Elevaate, which was launched by Scott in 2014 is another Stamford success story, with the business and 20 person Stamford team being acquired in October 2018 by a US giant who continues to invest in the local area. To date, we have directly invested over £2.4m in early stage technology companies, enabling those companies to raise over £20m from follow on investors, created over 1000 jobs with a portfolio valued in excess of £100m.

Haatch Desks office/meeting room spaces in Stamford and Peterborough provide flexible space from as little as daily desks to long term, multi-desk and office packages and now house over 200 highly skilled digital people in the region. We are committed to purchasing a property in Stamford currently owned by SKDC – we will be rebuilding this property and committed to using technology to create an environmentally friendly, sustainable work environment and providing environment transport modes to the wider Stamford community.

Haatch is unique, we're committed to the region and St Martin's Park and will continue to invest locally, our Haatch Ventures fund is increasing in size and with £10m+ available for investment into digital companies over the next few years, there is no one quite like Haatch; experienced, multi-exit entrepreneurs who live and work locally, are willing to invest, support and house the next generation in Stamford.

We have real-world experience in building office spaces with 200+ desks across our Stamford and Peterborough locations. In addition to this we have developed 20+ residential properties and commercial properties via The Tall House and built 180,000sqf of space in Hampton for Kiddicare.

We are currently exploring all options of purchasing this building and completing these works with our own personal and/or company money, bank loans, grants and Business Lincolnshire/ Greater Lincolnshire grants and loans.

A maximum of 20 points can be awarded to this section

- b) What is the timeframe for the delivery of this project?

Once we get the go ahead, we will be commencing work on site immediately. We believe the construction work could take up to 12 months to complete.

A maximum of 5 points can be awarded to this section

Section 3 : Project Benefits

- a) How will the proposed project immediately unlock constrained development that will bring forward economic activity, delivering jobs and/or housing?

St Martin's Park would have the capacity to create 300+ highly skilled digital jobs, in addition to providing a digital theatre with capacity for 200+. Alongside direct job creation lays the Haatch Ventures fund, which will invest directly in local digital businesses, entrepreneurs and school leavers to enable them to get their idea off the ground, scale-up and ultimately, if they wish, exit – whilst all being based within our establishment.

A maximum of 20 points can be awarded to this section

- b) What type and number of jobs that will be created as a result of this project, and over what time period?

As above.

A maximum of 10 points can be awarded to this section

- c) What type and number of houses will be created as a result of this project, and over what time period?

NA.

A maximum of 10 points can be awarded to this section

- d) What are the causes of the current constraint and why have they not been previously addressed?

SKDC have now purchased St Martin's Park and have the desire for someone to take the building '1904' and start on site immediately.

A maximum of 20 points can be awarded to this section

e) What is the planning status of the project?

Working with SKDC means that we would have immediate planning permission with the sale.

A maximum of 5 points can be awarded to this section

f) What are the key constraints and risks associated with the delivery of this project? How will these risks be mitigated?

As mentioned previously, we have real-world experience in building office spaces with 200+ desks across our Stamford and Peterborough locations. In addition to this, we have developed 20+ residential properties and commercial premises via The Tall House and built 180,000sqf of space in Hampton for Kiddicare.

With this, we are not blind in the fact that there are risks associated with the delivery of this project, however we will work with key people in the industry to make sure that this doesn't happen or affects us in a way that we can control and deal with immediately.

Working with SKDC will mean that we have the planning permission needed to start the work immediately which could be a key constraint on this project (if we hadn't).

A maximum of 20 points can be awarded to this section

g) Who are the other main partners involved in the delivery of this project? What are their roles and responsibilities?

Scott Weavers-Wright – Director of Haatch Desks, Director of The Tall House and partner of Haatch Ventures

Elaine Weavers-Wright – Director of Haatch Desks, Director of The Tall House

Fred Soneya – Director of Haatch Desks and partner of Haatch Ventures

Hannah Purser – Admin and Accounts Manager at Haatch Desks, Haatch Ventures and The Tall House.

A maximum of 20 points can be awarded to this section

Section 4 : Funding

- a) What specific type of investment is being sought to fund this project. (Please enter 'YES' in the blue shaded column against the relevant category below)

Front-funding Infrastructure (e.g. highway improvements) which is needed to release development where it has planning permission and there is certainty that the investment will be repaid. This could involve small infrastructure schemes which would enable major developments to start and thereby start to release development values and enable the investment to be repaid	
Investment via a 'commercial' loan arrangement to facilitate major investment by local businesses.	YES
Front-funding infrastructure (including the costs of borrowing) with the funding repaid from a planning gain increased such as Section 106 or CIL.	

A maximum of 5 points can be awarded to this section

- b) What is the value of the total amount of funding you are seeking from the Invest and Grow Fund?

£2 - £2.5million

A maximum of 5 points can be awarded to this section

- c) Over what period of time will the funding be re-paid?

Happy to discuss this with yourselves.

A maximum of 5 points can be awarded to this section

- d) How will you ensure that the Invest and Grow Fund will be re-paid?

We are able to complete this project personally and/or commercially, however we are currently looking at various options in which it will help with our future cashflow. We will have 300+ desks and meeting rooms with our forecast showing an income of £240,000 in year one, £690,000 in year two and £1,085,000 in year three. This giving us a gross yield of 50% and net yield of 28%.

A maximum of 15 points can be awarded to this section

- e) What additional funding, land and assets are in place to deliver the project?

We own all our buildings outright and have other funding options to deliver this project if needed.

A maximum of 10 points can be awarded to this section

PAPER 6

GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

Publication	Public Paper (Published)					
Meeting date:	11 November 2020					
Agenda Item:	6					
Item Subject:	Grimsby-Immingham Cycle Super Highway – Approval to Contracting					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper seeks Investment Board approval to contracting stage for the Grimsby-Immingham Cycle Super Highway project. The project is being considered as part of the Getting Building Fund Programme.

2. BACKGROUND

- 2.1 The Grimsby-Immingham Cycle Super Highway Project was submitted to the government as part of a Getting Building Fund bid made by the Greater Lincolnshire LEP for a cycling programme and a provisional allocation of £2,254,215 was approved by the Secretary of State towards the scheme which included a contribution towards project management fees.
- 2.2 The construction of the Grimsby-Immingham cycle superhighway project will increase sustainable access to employment and education sites which in turn will allow more people who may not have access to their own private vehicle to take up job or training opportunities along the South Humber Bank.
- 2.3 North East Lincolnshire Council is the lead applicants for the project and would act as the accountable body for the scheme working with its strategic partner ENGIE.

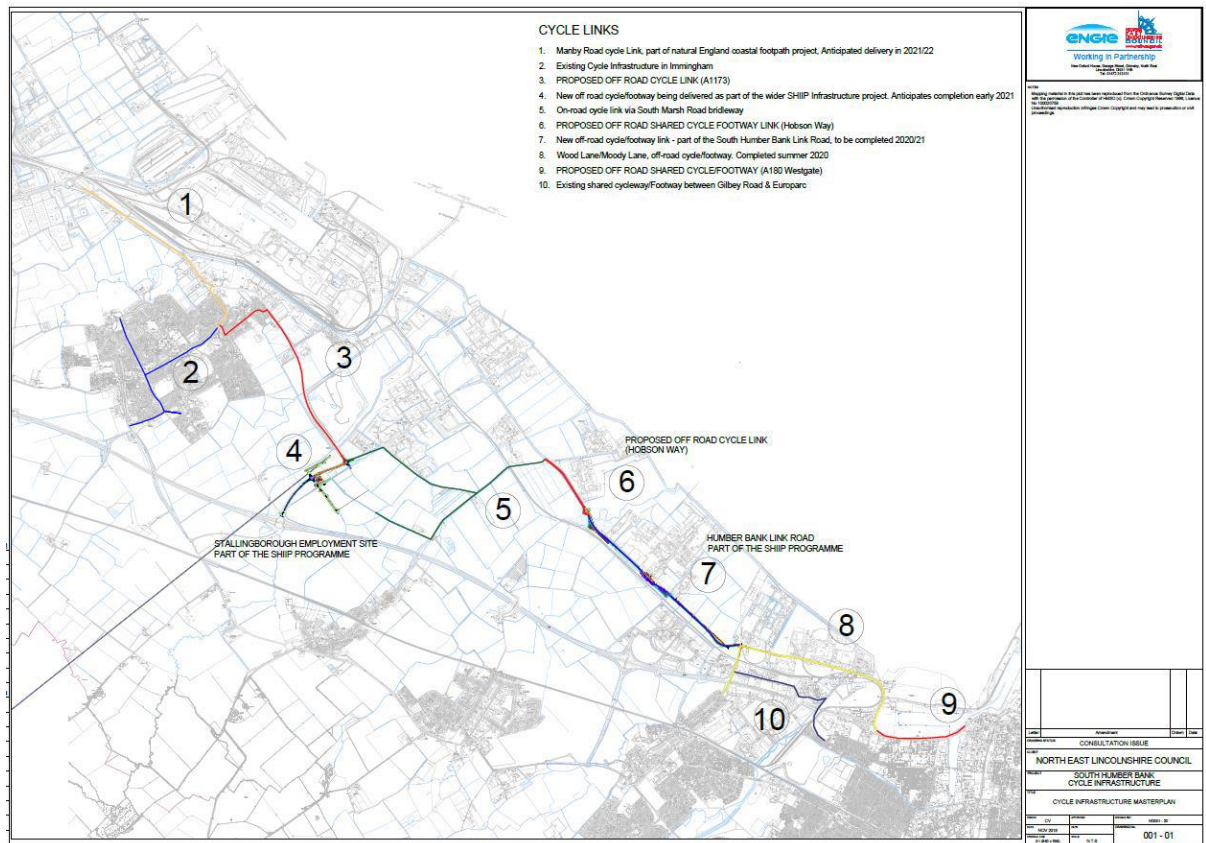
3. THE PROJECT

The proposed scheme provides a continuous off-road cycle link to facilitate sustainable access to employment sites and training opportunities across the South Humber Bank in the corridor north of the A180 between the ports of Grimsby & Immingham. It would also support the Government's Green Recovery after Covid-19.

- 3.2 This project would complement existing high-quality off-road cycle infrastructure alongside the new South Humber Bank link road and Moody Lane and comprises three elements:
- A1173 Immingham -SHIIP (Stallingborough site) off road cycle link
 - Hobson Way, Immingham off-road cycle link
 - A180 Westgate, Grimsby off road cycle link
- 3.3 The map below demonstrates where the cycle routes would be located and how they would connect together. The proposed schemes, when combined with existing infrastructure (shown in blue), would create a high quality and safe cycle link that would be attractive for local residents getting to and from work and training opportunities. The new link would support local residents from more deprived parts of the Borough to access the CATCH training facility as well as employment opportunities.

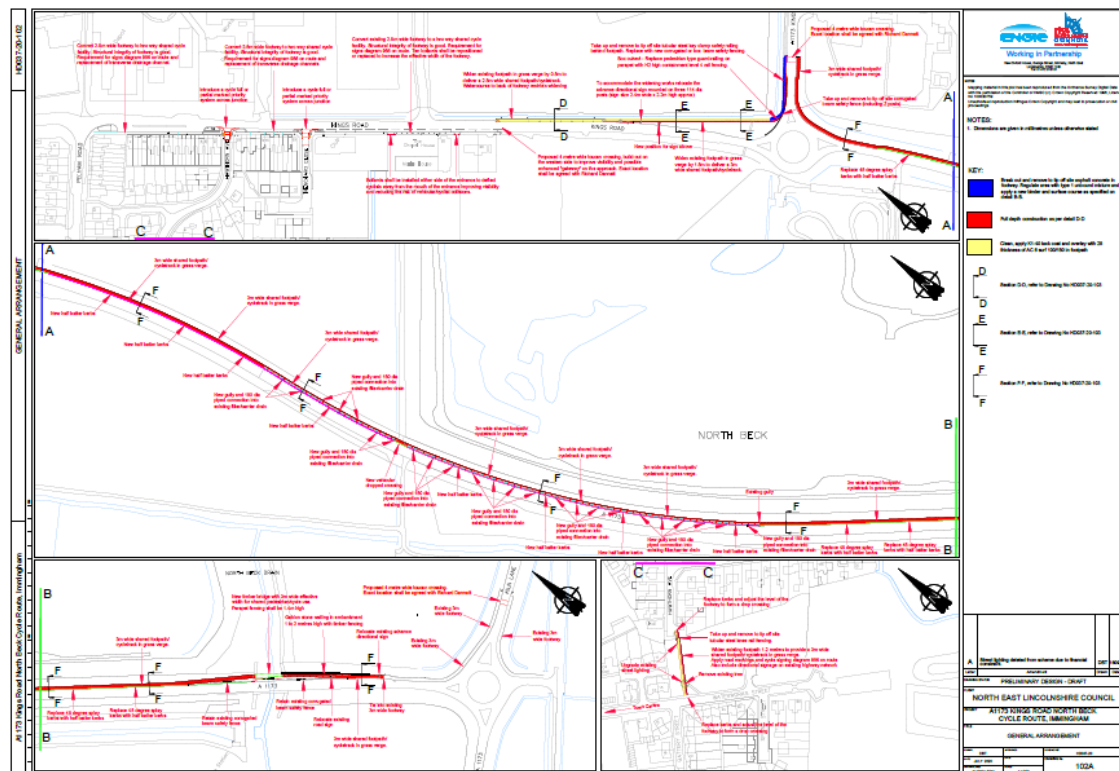
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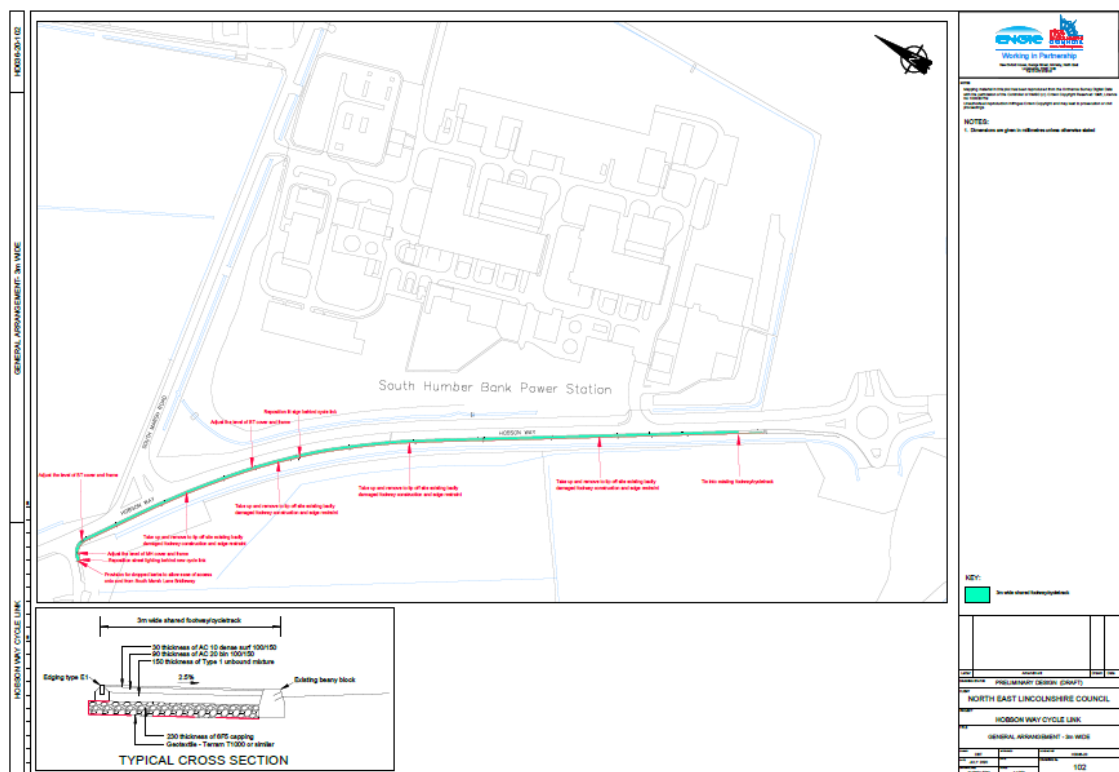


- 3.3 Over 4,000 new jobs are expected from the development of the Stallingborough Industrial Park, Great Coates Industrial Park & Humber Gate sites across the next 25 years, therefore employees and businesses at all these sites will benefit from this proposed cycle links. In addition to supporting the delivery of new training and employment opportunities the proposed scheme will also encourage modal shift for employees who are already travelling to the Humber Bank area.
- 3.4 The scheme will offer residents access/connectivity to employment within the SHIP enterprise zones and in the wider South Humber Bank area offering sustainable transport options to access new and existing development sites along the route. It will specifically help grow opportunities in the ports and logistics sector which are identified by the GLLEP as future defining features of the local economy and will help provide infrastructure support that adds value to an emerging Freeports bid to the government for the South Humber area.
- 3.5 Further details on each scheme are shown in the individual drawings below:

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GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

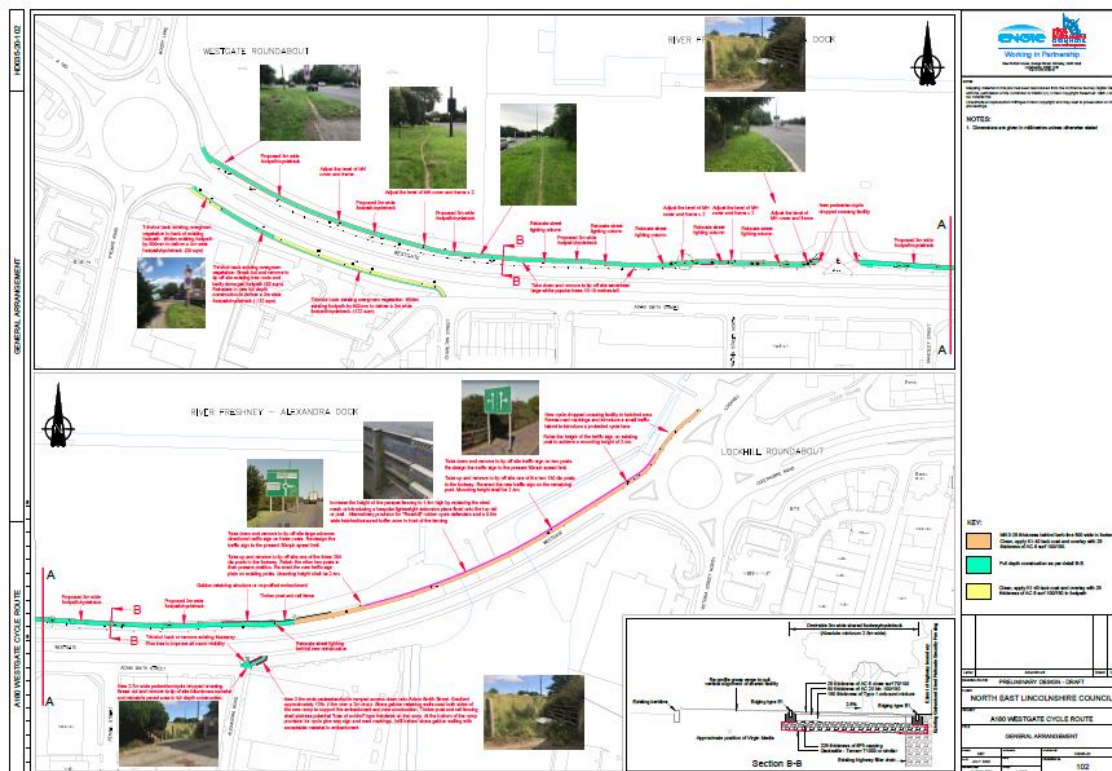


A1173 Link



Hobson Way Link

PAPER 6 GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY



3.6 Access to a local workforce is essential to support the continued growth of the Humber Bank industries. Of particular significance is the recently approved, and Government supported Velocity's Altalto scheme, a low carbon innovative waste to jet fuel plant, which will turn household waste into sustainable jet fuel for the aviation industry. This new plant will require a new workforce and is sited along the proposed cycle route. The scheme will also help to reduce impact of the "journey to work" on air quality and the levels of CO₂ , NO_x and other greenhouse gas emissions as mode shift away from private cars towards cycling and walking is achieved.

4. FUNDING

4.1 The overall project requires £2,665,000 to be fully delivered with a Getting Building Fund grant of £2,216,860 contributing to the design and construction costs, and a further £11,140 being retained by the LEP from the provisional scheme allocation towards GL LEP fees. NELC will also contribute a further 0.5% towards due diligence, legal and management fees.

4.2 This would make the total requirement towards the project £2,239,140, leaving £26,215 unallocated within the cycling programme, which officers suggest could be added to the Skills Capital Investment Programme via a further government change request should the Investment Board agree to this approach.

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GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

- 4.3 LEP funding would be used to fund the construction of new cycle routes along the A1173, Hobson Way and A180 Westgate. For each site the project will include:

Pre-start works including:

- Submission of appropriate traffic management plans for each site
- Installation of advanced warning signs
- Letter drop/engagement with all local interested parties that will be affected by the works

On site period that includes the following stages:

- Delivery and construction of on-site welfare facilities and site compound
- Site clearance and where necessary vegetation clearance
- Earthworks (removal of material to holding area for reuse / tip depending on contaminants)
- Repairs and amendments to localised drainage assets to ensure appropriate highway drainage is maintained after new infrastructure has been completed
- Laying of kerbs and construction of appropriate subbase, base layers and binder courses to necessary standards
- Installation of new streetlight columns where necessary
- Installation of appropriate highways lining and signs
- Returning areas within the vicinity of the works to their pre-construction condition

Post site monitoring period including:

- Route usage using automatic and manual traffic counts
- Roadside surveys with users to try and explain reasons for behavioural change and the impact of the new infrastructure

- 4.4 Match funding is to be secured through a contribution from NELC Local Transport Plan capital programme during the period 2020/21-2021/22. The contribution has been included in the programme for 2020/21, the contribution for 2021/22 will be confirmed when the programme is approved by NELC cabinet in November 2020. A private third-party contribution of £77,000 has been secured via a S106 planning gain contribution. (Ref DM-0664-19-FUL).

5. OUTPUTS

- 5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is calculated as poor value for money, however the wider outputs and benefits that are generated by this scheme and its highly strategic fit are considered to justify the investment that is being sought. Outputs which would be achieved as a result of the Getting Building Fund Investment are:

- 37 construction jobs at a cost of £61,622 per job
- 3.9km of new cycle way at a cost of £571,282 per kilometre

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GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

6. PROJECT MILESTONES

6.1 The following milestones would apply to delivery of the scheme:

Milestone	Forecast Date
Completion of detailed design and costing	November 2020
NELC Cabinet approval	4 th November 2020
Tender publication	16 th November 2020
Tender evaluation	14 th December 2020
Contract award	21 st December 2020
Pre-start works commence	29 th January 2021
Hobson Way construction phase	15 th March 2021
A180 Westgate construction phase	31 st March 2021
A1173 construction phase	13 th December 2021
Works completed	31 st March 2022

6.2 As the due diligence report (Paper 6.1) points out, the key milestones are still indicative and a detailed programme is required to be provided once a contract is agreed with the contractor in December 2020.

7. DEMAND AND NEED

7.1 The new cycle route infrastructure links to three major growth sites, the SHIP site at Stallingborough, the Great Coates Industrial Park and Humber Gate site off the new South Humber Bank link road. The Stallingborough Industrial Park site, alone, will develop into one of the major employment zones across the Humber region. It is anticipated that thousands of new jobs will be created on the 90-hectare site to the south of Immingham. The first, of many, factory units is currently under construction and is scheduled to be complete later in 2020 with a tenant waiting to take up occupancy.

7.2 All three elements of the project will see new cycle infrastructure built alongside busy industrial roads that are currently or will soon be dominated by HGV traffic. Without this new off-road infrastructure, it is very likely that local residents will struggle to access the area without the use of a private car, particularly those in more deprived areas with low car ownership and younger people who risk being isolated from work and training opportunities simply because they cannot travel there.

7.3 The Government has recently published its bold vision for cycling and walking, “Changing Gear” and will soon be launching a new body called Active Travel England, hence the plan to get more people making more everyday journeys by bike or on foot is at the heart of future national transport policy. The delivery of these new links will demonstrate both the Council’s and the LEP’s commitment to cycling and walking as realistic and viable alternatives to the car.

PAPER 6

GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

8. RISK ANALYSIS & DELIVERABILITY

8.1 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation	To be a Condition of Funding
Works funding package does not come together in a timely fashion—GLLEP, NELC.	NELC and GLLEP	Low	High	Regular monitoring arrangements in place via scheme Programme Board.	Provision of programme. Yes - pre-contract drawdown.
Cabinet approval is not obtained.	NELC	Low	High	A high priority project for the council.	Approval from Cabinet to be a pre-contract condition.
Works costs exceed budget.	NELC and ENGIE	Medium	High	The works contracts will be let on a fixed price basis and incorporate a 10% contingency to provide for unforeseen costs. In the event that costs do increase, alternative options to deliver the same quality of scheme will be reviewed.	NELC to confirm they will underwrite any cost overruns, condition of funding as a pre-drawdown condition.
Consultation and Engagement affects design or progression	NELC	Low	High	NELC to keep GLLEP fully informed of any consultation outcomes and to urgently refine resulting any changes should they arise	No

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GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

Delays to Programme	NELC and ENGIE	Medium	High	Project management undertaken throughout the contract will identify any potential issues relating to programme. Any potential delays will be identified, discussed with the project board and GL LEP notified accordingly.	No - subject to ongoing monitoring.
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9. COMMENTS FROM THE ACCOUNTABLE BODY

- 9.1 We agree with the findings and recommendations made within the due diligence report. If approved we will work with the applicant to explore ways of evidencing the wider impacts of the project and suggest that a plan for this should be included as a contract condition.

10. CONDITIONS OF GRANT

- 10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contract

- Confirmation that NELC Cabinet Approval has been secured
- A copy of the State Aid advice report to be provided to GL LEP as soon as available
- Confirmation that NELC will underwrite any cost overruns incurred on the project

Pre-Drawdown

- An updated programme for delivery of the construction of the works to be provided when agreed with a contractor
- An updated profile for the drawdown of GBF across all three elements of the project to be provided once agreed with the contractor

Post Completion

- Confirmation that the monitoring of use of the cycle way and travel plan data will be provided to GL LEP along with qualitative and quantitative assessment to assess impacts of the scheme

11. RECOMMENDATION

- 11.1 It is recommended that GL LEP Getting Building Fund grant totalling £2,228,000 (which includes £11,140 of GLLEP Fees) be approved by the GL LEP Investment Board towards the scheme subject to the conditions detailed above, and that it proceeds to contracting stage.

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GRIMSBY-IMMINGHAM CYCLE SUPER HIGHWAY

- 11.2 NELC is to provide a further contribution of 0.5% programme management fees to the project to cover the full 1% requirement.
- 11.3 The Investment Board endorses completion of a change request to government for the unallocated £26,215 moving the remaining grant from the cycle programme to the Skills Capital Investment fund.



Greater Lincolnshire Local Enterprise Partnership

Due Diligence Assessment

In Respect of

Getting Building Fund

For

Grimsby-Immingham Cycle Super Highway

**30th October 2020
Paper 6.1**

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APPENDICES

I	BUSINESS CASE AND KEY SUPPORTING DOCUMENTATION
II	RLB COST APPRAISAL
III	STATE AID REPORT

1.0 PROJECT SUMMARY AND PLANNING STATUS

- 1.1 North East Lincolnshire Council (NELC) have submitted an application for Getting Building Fund (GBF) to GL LEP, seeking £2,228,000 to meet the majority of the costs for completing the final section of off-road cycle link and part of the Grimsby-Immingham Cycle Super Highway.
- 1.2 Funding from GL LEP will enable the final three sections of the cycle link to be constructed, which will then deliver a continuous route from existing residential communities to the main employment and education sites along the South Humber Bank.
- 1.3 The key employment sites include Stallingborough Industrial Park, Great Coates Industrial Park and Humber Gate, which are anticipated to generate over 4,000 new jobs over the next 25 years.
- 1.4 The three infrastructure links that are to be delivered utilising GBF are as follows;
 - A1173 Immingham-SHIIP (Stallingborough Site off-road Cycle Link).
 - Hobson Way, Immingham off-road Cycle Link.
 - A180 West Gate, Grimsby off-road Cycle Link.
- 1.5 The above new links, when combined with existing cycle and walking infrastructure will complete the longest continuous off-road cycle link in the Borough. The route will provide a safe, sustainable and alternative means of access to link existing residential settlements to the major employment locations.
- 1.6 All three elements of the project will deliver a new cycle infrastructure alongside busy industrial roads that are currently or will soon be dominated by HGV traffic. Without this new off-road infrastructure, it is very likely that local residents will struggle to access the area without the use of a car.
- 1.7 Furthermore, the opening of the new South Humber Link Road later in 2020, will see a significant shift in traffic movements in the area. There will be an increase in the amount of traffic using the new link between the ports of Grimsby and Immingham. Most of this traffic will be industrial, using the new link as a more convenient and quicker alternative to the current A180 route. In turn this brings additional road safety risks and also makes the route less attractive for cycling, unless new infrastructure such as that proposed is delivered.
- 1.8 The surrounding residential communities are some of the most deprived areas in the Borough, where car ownership and travel horizons are at their lowest. This is a real barrier to those people living in these areas where there is a lack of a safe alternative means of travel to the South Humber Bank, preventing residents seeking employment, education or training in the area.
- 1.9 The new infrastructure will therefore provide a safe alternative means for those communities to commute to places of work and education, significantly enhancing connectivity. Benefits will also be to local businesses and those proposing to relocate to the new employment sites through accessibility to a local pool of labour.
- 1.10 The project is currently at the detailed design stage, which should be due to complete towards the end of November/December 2020. NELC are working with ENGIE for the procurement and implementation of the scheme. Given that the land proposed

for the route is on existing highway land, there are no land acquisitions required and planning permission for the cycle way infrastructure is also not required.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 GBF is being sought from GL LEP at £2,228,000.
- 2.2 Match funding has been secured from NELC Local Transport Plan Capital Programme at £360,000.
- 2.3 Private third-party contributions of £77,000 have been secured via a Section 106 planning gain contributions, which completes the funding package.
- 2.4 Total costs for the scheme are therefore £2,665,000 and without GL LEP funding the majority of this, the final element of the cycle super highway will be unable to proceed.
- 2.5 GL LEP require payment of a 1% administration to be made for this project, however the original GBF bid estimated a grant requirement of £2,254,215 which already included 0.5% of GLLEP fees. Hence to be consistent with all other GBF applications the LEP suggests from the £2,228,000 requested by the applicant a net grant payment of £2,216,860 to be made available for this project, deducting only 0.5% (£11,140) towards GLLEP fees. A further 0.5% for GLLEP fees will be taken from the remaining allocation amount agreed by government. This leaves £26,215 unallocated within the cycling programme which could be added to the Skills Capital Investment Programme via a change request.

3.0 KEY ISSUES

- 3.1 The due diligence undertaken for this project has not identified any major issues or queries with the project or supporting information.
- 3.2 It was identified however, that State Aid advice had not been procured by NELC and this was subsequently requested. A State Aid Report from Bevan Brittan has now been provided and this matter is dealt with within Section 8 of this report.
- 3.3 A minor query has been raised in relation to the provision of additional cost information by RLB costs consultants. This matter has been addressed and is detailed within Section 6 of this report.

4.0 STRATEGIC FIT

- 4.1 The project has strong strategic fit, which is summarised as follows;

- i. GL LEP Strategic Economic Plan (SEP)

The proposed scheme supports Priorities for Growth in accordance with the SEP, in terms of promoting sustainable growth to the ports and logistics sectors along the South Humber Bank. The scheme will help promote Greater Lincolnshire as a place for businesses to establish and flourish through improved connectivity and transport infrastructure.

- ii. The Local Industrial Strategy

The delivery of new infrastructure to address the 'grand challenges' that are identified in the strategy are supported by connecting residents to job opportunities within deprived communities, promoting social inclusion. The scheme also helps address targets for providing a means of transport on a green basis, seeking to reduce the environmental impacts of journeys to work.

iii. North East Lincolnshire Councils Local Transport Plan

This plan promotes measures to address local transport challenges and help enable sustainable growth and regeneration by improving accessibility to work opportunities. In addition, benefits of employees being more active will help to improve mental and physical health, whilst also helping to lower risks around road safety and transport effects on the environment.

iv. Transport for the North's Strategic Transport Plan

This plan acknowledges the importance to both businesses and employees of being able to access work opportunities, reduce transport costs and support health and wellbeing. The plan recognises the need to connect deprived areas to opportunity particularly around Grimsby, Immingham and South Humber Bank, which have historically suffered from high levels of deprivation and created barriers to people accessing work opportunities and training.

v. North East Lincolnshire Councils Draft Local Cycling and Walking Infrastructure Plan.

Although still in draft, this plan identifies as a high priority, schemes that have the potential to deliver long-term and meaningful increases in the number of journeys made by bicycle.

In addition, the development of a new high-quality cycle infrastructure complements the wider 'support and encourage' initiatives that are being delivered through government funding for the Pedal and Stride to Economic Growth Project.

5.0 MARKET ASSESSMENT

5.1 A review of property market conditions and an assessment of the market has not been undertaken, on the basis that the scheme provides an alternative means of transport infrastructure in order to connect residential communities with employment, training and education opportunities.

5.2 The scheme has been subject to detailed feasibility work undertaken by the council and various partners including Sustrans, which saw the formulation of the wider vision and partial implementation of the super highway to provide the connecting infrastructure.

5.3 The need for the scheme has also been identified within the Local Transport Plan and as such provides the evidence base upon which investment in this project has been justified by earlier phases of the scheme.

5.4 In terms of the realisation of jobs within the industrial parks across the South Humber Bank, this is subject to positive market conditions and new investment and development being realised. Some new development has already been completed

on the employment sites, with major new businesses, now operating from this location.

- 5.5 More recently, the Stallingborough Industrial Park is currently subject to construction for new factory units due to complete towards the end of 2020. A tenant has already been identified to take occupancy of space upon completion and there are good levels of enquiries reported to being received for the various employment sites.
- 5.6 Whilst the current pandemic and economic recession may inevitably have some impact on the potential pace of development and occupation at these sites, some sectors within the economy remain more resilient than others, such as transportation, logistics and distribution. In some sectors such as food and online retailing, some businesses have expanded significantly increasing demand for new strategically located sites and premises.
- 5.7 The subject scheme therefore potentially enhances the attractiveness of the employment sites as a suitable and sustainable location for businesses. At this time therefore, it is not anticipated that there will be any major economic barriers to the eventual take up and delivery of employment land across the South Humber Bank and clearly businesses considering relocation to these employment areas will want to be reassured that the site is accessible by a good supply of local labour.
- 5.8 There have been no issues therefore identified in terms of demand for the subject scheme, subject to prevailing economic and market conditions.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A development appraisal has not been prepared for this scheme, on the basis that funding is being sought to enable delivery of cycle infrastructure alongside existing road highways.
- 6.2 A cost appraisal has been undertaken by RLB on behalf of GL LEP. The outcome of this appraisal is that all costs are considered to be reasonable and in accordance with market rates. This is with exception of the A1173 Immingham-SHIP section, where an elemental breakdown of rates has not been provided. Whilst overall the cost appears reasonable and commensurate with costs for constructing the other two sections of the cycleway, an elemental cost breakdown has been requested but is not available in sufficient detail at the time the due diligence report has been prepared.
- 6.3 It is therefore, recommended that a copy of the lowest tender and supporting report on tenders is provided to verify total costs for all three sections of infrastructure to be provided.

7.0 DELIVERABILITY AND PROGRAMME

- 7.1 The programme for the delivery of the component elements of this project is as follows;
 - i. Completion of community and stakeholder engagement which is currently ongoing with final findings to be incorporated within the detailed design of the project.
 - ii. Utility company engagement – partially complete and ongoing.

- iii. Detailed design to be completed between September and November 2020, incorporating feedback from the consultation exercise.
 - iv. NELC Cabinet approval – to be obtained at 4th November 2020 meeting.
 - v. Procurement of the scheme to commence in winter 2020. Start onsite for the works spring 2021, completion of the works by March by 2022.
- 7.2 The above delivery timescales are considered to be realistic although note that there is little room for slippage in spend on the GBF programme as the programme is required to be completed by 31st March 2022.
- 7.3 It is therefore recommended that a detailed programme for the delivery of the scheme is provided as soon as it is readily available.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 As referred earlier within this due diligence, a State Aid Report has been provided by Bevan Brittan, the findings of which are summarised below.
- 8.2 NELC is not an ‘undertaking’, subject to the rules when it performs a statutory function, which is the role the local authority will be performing when commissioning improvements as the local highway authority.
- 8.3 All works to be undertaken by this scheme are being procured competitively under the Public Contracts Regulations 2015 or by way of an equivalent open competitive tender process. This means that all contractors procured will be paid no more than market rates and the council can therefore rely on the Market Economy Operator Principle, recognising that there is no aid where a transaction is in accordance with market terms.
- 8.4 Furthermore, there is no intention by this scheme to relieve any landowner/developer from Section 106 or similar contributions that are, or would typically be, payable in connection with any development near the project. It would therefore be difficult to bring a successful State Aid challenge on the basis that a landowner/developer has received indirect aid by being relieved of any such obligation.
- 8.5 In accordance with standard planning policy, NELC will seek to ensure that it captures and maximises all future possible contributions from developers/landowners wherever possible in context with the standard due process for seeking all such contributions on development projects.
- 8.6 It is acknowledged that the funding will be used to commission improvements to public highway infrastructure that will not be commercially exploited and will be available to all users for no charge on an open, fair and transparent basis.
- 8.7 Furthermore, the project will not deliver dedicated infrastructure designed to benefit a particular developer by tailoring works to specific needs. The works therefore can be properly classified as general infrastructure benefiting the North East Lincolnshire area, in particular businesses operating across South Humber and those individuals that may want to access employment and educational opportunities that require or prefer alternative means to vehicular transport.

9.0 PROCUREMENT

- 9.1 NELC operate strict procurement processes and protocols in accordance with their public sector and contract regulations.
- 9.2 NELC work in partnership with ENGIE with formal procurement, management and governance arrangements in place for the delivery of capital projects. All capital works to be undertaken will therefore be subject to procurement process through approved contractors and suppliers on a pre-tendered framework.
- 9.3 On this basis, it is not considered that there are any procurement issues in relation to this project.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 The outputs to be delivered by investment from GL LEP for this project are summarised in the table below;

Forecast Outputs Output Profile							
	2019/20	2020/21	2021/22	2022/23	2023/24	Future Years	Total
Other (please list)							
Construction jobs		14	23				37
New cycle/footway completed and open to public			3.9km				3.9km

- 10.2 It is noted that there are only two outputs being claimed by this project, which are as follows;
- 37 construction jobs at a cost of £61,622 per job.
 - 3.9km of new cycle way at a cost of £571,282 per kilometre.
- 10.3 Whilst the project based on the cost of providing the outputs calculates at poor value for money, the wider outputs and benefits that are generated by this scheme and its highly strategic fit are considered to justify the investment that is being sought under the GBF.
- 10.4 The council also confirm that they will undertake direct monitoring of use of the routes by cyclists using an automated traffic counter located along the routes. This will assist in providing continuous data that can then be used to demonstrate the overall impact of the scheme by comparing the figures with the before count, which will be undertaken before the works commence.
- 10.5 In addition, travel plans will be in place with businesses locating to the industrial parks which will also enable data to be gathered for qualitative assessment as to location of employees and modes of travel.
- 10.6 The potential impacts of the scheme and benefits that it generates may therefore in future be capable of a more quantitative analysis in terms of the overall benefits that have been provided.

11.0 MILESTONES

11.1 Milestones for the delivery of the project are summarised as follows;

- Completion of detailed design and costing - November 2020.
- NELC Cabinet approval - 4th November 2020.
- Tender publication - 16th November 2020.
- Tender evaluation - 14th December 2020.
- Contract award - 21st December 2020.
- Pre-start works - commences 29th January 2021.
- A180 Westgate construction phase - 31st March 2021.
- Hobson Way construction phase - 15th March 2021.
- A1173 construction phase - 13th December 2021.
- Works completed by 31st March 2022.

11.2 As the key milestones are still indicative, a detailed programme is required to be provided once a contract is agreed with the contractor.

12.0 RISK ASSESSMENT

12.1 The risks associated with the delivery of this project are detailed in the table below;

Risk	Owner	Probability	Impact	Mitigation	To be a Condition of Funding
Works funding package does not come together in a timely fashion— GLLEP, NELC.	NELC and GLLEP	Low	High	Regular monitoring arrangements in place via scheme Programme Board.	Provision of programme. Yes – pre-contract drawdown.
Cabinet approval is not obtained.	NELC	Low	High	A high priority project for the council.	Approval from Cabinet to be a pre-contract condition.
Works costs exceed budget.	NELC and ENGIE	Medium	High	The works contracts will be let on a fixed price basis and incorporate a 10% contingency to provide for unforeseen costs. In the event that costs do increase, alternative options to deliver the same quality of scheme will be reviewed.	NELC to confirm they will underwrite any cost overruns, condition of funding as a pre-drawdown condition.

Consultation and Engagement affects design or progression	NELC	Low	High	NELC to keep GLLEP fully informed of any consultation outcomes and to urgently refine resulting any changes should they arise	No
Delays to Programme	NELC and ENGIE	Medium	High	Project management undertaken throughout the contract will identify any potential issues relating to programme. Any potential delays will be identified, discussed with the project board and GL LEP notified accordingly.	No – subject to ongoing monitoring.

12.2 NELC have provided as part of the supporting application documentation a risk management plan. It is not considered that there are any risks that have not been identified or subject to mitigation options for the delivery of this project.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

13.1 The following conditions are recommended to be attached to any offer of funding to NELC as follows;

- i. Confirmation that NELC Cabinet Approval has been secured – pre-contract.
- ii. Confirmation that NELC will underwrite any cost overruns incurred on the project – pre-contract.
- iii. An updated programme for delivery of the construction of the works to be provided when agreed with a contractor – pre-drawdown.
- iv. An updated profile for the drawdown of GBF across all three elements of the project to be provided once agreed with the contractor – pre-drawdown.
- v. Confirmation that the monitoring of use of the cycle way and travel plan data will be provided to GL LEP along with qualitative and quantitative assessment to assess impacts of the scheme – post completion of the works.

14.0 CONCLUSIONS

14.1 The Grimsby to Immingham Cycle Super Highway Project when completed will be the largest continuous cycle way within the Borough, increasing sustainable access and alternative means of travel to employment and educational facilities along the South Humber Bank.

- 14.2 The funding sought from GL LEP along with the match funding secured will enable the final sections of the cycle way to be completed, providing a comprehensive route between existing residential communities and key employment sites proposed for major development along the South Humber Bank.
- 14.3 The project has high strategic fit with significant positive impacts assessed as being deliverable for residents living within the more deprived areas of the borough, where car ownership and means of travel are at their lowest.
- 14.4 The project also supports various transport and green strategies and central government objectives through reducing the impact of the journey to work on air quality, levels of CO², NO_x and other greenhouse gas emissions as a mode shift away from private cars toward cycling and walking is achieved.
- 14.5 The infrastructure will therefore provide connectivity between the employment sites and residential communities and help to support businesses access to a larger labour pool from within the immediate surrounding areas.
- 14.6 The scheme is at a relatively advanced stage of design and capable of a commencement onsite in January 2021 with all works across the three elements of the scheme completed by 31st March 2022.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that GBF of £2,216,860 following deduction of GL LEP administration costs of £11,140 be awarded to this project, subject to the conditions noted within Section 13 of this due diligence report.



..... Date: 30th October 2020.....

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SKILLS CAPITAL INVESTMENT PROGRAMME

Publication	Public Paper (published)					
Meeting date:	11 November 2020					
Agenda Item:	7					
Item Subject:	Recommended allocations for the Skills Capital Investment Programme					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper provides the Investment Board with a summary of the recent scoring outcomes and subsequent officer recommendations in relation to the Greater Lincolnshire Skills Capital Investment Programme Getting Building Fund provisional allocation.

2. BACKGROUND

- 2.1 In July 2020 Greater Lincolnshire LEP submitted a nationally competitive bid to Government for the Getting Building Fund. In August 2020 a formal announcement confirmed that an allocation of £25.8m was to be awarded to Greater Lincolnshire, of which £7.6m has been made available towards a new Skills Capital Investment Fund (£10m was originally requested).
- 2.2 Greater Lincolnshire LEP has also submitted a change request to government for £301,500 to be reallocated from the Cycle Programme to the Skills Capital Investment Programme following recent withdrawal of the Lincolnshire Coastal Highway Cycle scheme due to timescales proving too tight for delivery. If approved by government and endorsed by Investment Board today it would bring our total Skills Capital Investment Programme funding to £7,964,000 of which 1% would be retained to cover GLLEP fees, leaving £7,884,360 of grant available.

3. THE PROGRAMME

- 3.1 In early August 2020 Greater Lincolnshire LEP put out a call seeking proposals for capital projects from local colleges and training providers that will result in improved training or learning facilities for young people and adults, providing an increase in the talent pool that employers can recruit from locally and an upskilled workforce within its priority sectors. Proposals needed to show how training will be relevant or tailored to employers within a particular industry and also needed to consider current and future trends.
- 3.2 Schemes should also demonstrate strategic fit with Greater Lincolnshire's emerging Local Industrial Strategy (LIS) and the pre-Covid Skills Advisory Panel Analysis. The LEP will only fund projects that lead to an increased number of people who are ready for work in the local area. Applicants can request grant funding for the following:
- The construction of new buildings (maximum grant contribution £2m, can include land acquisition costs)
 - The refurbishment of existing buildings
 - The purchase of new training equipment

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SKILLS CAPITAL INVESTMENT PROGRAMME

- Works that will improve delivery such as through digital technologies
- Steps to improve technological infrastructure and service resilience
- Investment to reduce CO2 footprints and improve the energy efficiency in existing educational facilities resulting in new training provision

3.3 All allocations must be spent by March 2022, and outcomes delivered by 2025. The Programme was open to eligible institutions with the Greater Lincolnshire LEP's geographic area, which included post 16 colleges and approved training organisations located in the Greater Lincolnshire area on the Register of Training Organisations with the Education Skills Funding Agency in the current academic year <https://www.ukrlp.co.uk/>.

3.4 To maintain a balanced portfolio, it was suggested that the minimum project value should be £200k. Applicants were asked to outline the occupations and the relevant qualifications or learning that would be delivered once the capital intervention is complete. .

4. THE PROCESS

4.1 The deadline date for proposals was the 8 September 2020 and 11 schemes were submitted for consideration. An officer panel was brought together to score the submissions with regard to Strategic Assessment as per the assurance framework guidance on the 28 September, and subsequently an independent Economic Assessment was carried out on behalf of the LEP to complete the overall project scores. The outcome was as follows:

Scheme	Applicant	Total Cost	SLGF Required	Total/50	Rank in all	Overall Risk RAG Rating*	
'The Care CoRE' (Centre of Excellence for Care)	Boston College	£786,500	£414,500	40.5	1		
Engineering, Logistics, Innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	£2,426,084	£1,417,584	38.7	2		
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	£2,391,375	£2,140,537	38.6	3		
GC Energy Centre: Engineering and Construction	Grantham College	£1,962,937	£1,605,606	38.4	4		
Lincolnshire Institute of Technology (Holbeach Hub)	University of Lincoln	£2,569,944	£1,122,965	36.1	5		
Greater Lincolnshire Analytics and Skills Service	Lincoln College	£1,982,989	£1,388,092	34.6	6		
Public Sector Hub FE College, Horncastle	Boston College	£3,050,500	£1,643,000	34.5	7		

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SKILLS CAPITAL INVESTMENT PROGRAMME

Digital Learning & Infrastructure Project	DN Colleges Group	£1,793,062	£1,344,797	32.8	8		
'Field to Fork' Food and Health Hub	Bishop Burton College	£800,000	£400,000	32.06	9		
Health Skills Project	DN Colleges Group	£1,230,939	£923,204	31.1	10		
Route to Success	The Lincolnshire and Rutland Education Business Partnerships (The EBP)	£400,000	£200,000	24.2	11		

*RAG Ratings were determined by looking at average combined Economic, Deliverability and Impact scores 1-4 Red, 5-7 Amber, 8-10 Green

4.2 The strategic assessment scores (out of 20) were added to further scores on the economic case, deliverability and Impact providing an overarching score per project (out of 50). As can be seen from the table above, projects were scored overall and there was a high standard of submissions with a high priority scheme being regarded as 35+ and a medium priority 21 -34, therefore no proposals were deemed as a low priority.

4.3 Recommended allocations have taken into account the overall scores for strategic assessment, economic case, deliverability (especially given the firm deadlines for the Getting Building Fund) and impact; to what extent the projects addressed the main focus of the programme; and match funding levels and status. Paper 7.1 and Appendix 1 provide a summary of the economic, deliverability and impact assessment carried out by Thomas Lister Ltd.

5. SUGGESTED ALLOCATIONS

5.1 The top five schemes shown below achieved 'high priority' status by being scored 35+ overall. We therefore recommend that all five of these schemes are approved for provisional Skills Capital Investment Programme allocations and can proceed to due diligence stage.

Scheme	Applicant	Suggested Allocation
'The Care CoRE' (Centre of Excellence for Care)	Boston College	£414,500
Engineering, Logistics, Innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	£1,417,584
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	£2,140,537
GC Energy Centre: Engineering and Construction	Grantham College	£1,605,606

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SKILLS CAPITAL INVESTMENT PROGRAMME

Lincolnshire Institute of Technology (Holbeach Hub)	University of Lincoln	£1,122,965
	Total	£6,701,192
	Remaining Allocation (including change request amount)	£1,183,168

- 5.2 The sixth place is somewhat more complex to determine as three projects have very similar scores and have varying strengths and weaknesses.
- 5.3 Whichever scheme receives the final allocation there will not be enough funding within the programme currently to cover the full amount required; hence as per the decision made by the GLLEP Board on the 24 July should any GBF projects not proceed, we recommend that the Investment Board approves the change request supported by government to add a further £301,500 to the Skills Capital Programme, making the amount available to projects £7,884,360.
- 5.4 Officers also recommend that any remaining gap identified for the final scheme is transferred from the Invest and Grow (Growing Places Fund) to increase the Skills Capital Programme grant accordingly. There is currently £1.9m remaining in the unrecycled Invest and Grow pot, which has to date not formed part of the repurposing of LEP funding discussions with the GLLEP Board.
- 5.5 The three schemes that were considered for the final provisional allocation amount given their similar overall scores post assessment were as follows:

Scheme	Applicant	Requested Allocation	Scores
Greater Lincolnshire Analytics and Skills Service	Lincoln College	£1,388,092	34.6
Public Sector Hub FE College, Horncastle	Boston College	£1,643,000	34.5
Digital Learning & Infrastructure Project	DN Colleges Group	£1,344,797	32.8

- 5.6 The spreadsheet in Appendix 2 provides brief details on what the individual projects are proposing and the types of courses being delivered across the existing SLGF and the new GBF Skills Capital Programmes. This is important to understand if we are looking to support skills provision across a broad range of sectors.

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SKILLS CAPITAL INVESTMENT PROGRAMME

5.7 The SWOT analysis below provides a more detailed comparison of the three schemes concerned with regard to a potential sixth funding allocation:

Greater Lincolnshire Analytics and Skills Service	Lincoln College
<p>Strengths Scored well in terms of Strategic fit - 14.6/20 Scheme enables provision in Lincoln and virtually in some towns of Lincolnshire. Employer support with some offering to host training provision. Partnership with Microsoft, NBV and Human Alchemy. It will offer Leadership and Management training from Level 2 through to Level 6 in Lincoln, providing strong progression route for local adults. In the past 12 months have engaged with more than 1,200 local employers. All match funding confirmed except for bank funding, which represents 21% of the total funding package (anticipated by October 2020).</p>	<p>Weaknesses Can be delivered in timescales required but RAG rated as amber on deliverability overall. New course offer still to be designed and delivered. Detailed design for the project is still to be undertaken - could result in cost variations.</p>
<p>Opportunities Refurbishment and extension of the Community Education Centre on Monks Road in Lincoln Improves productivity, efficiency and revenue streams of the region's businesses through a new service, Data Analytics Lincolnshire Provides Digital Community Learning Centres for a number of towns within Greater Lincolnshire</p>	<p>Threats Little scope for milestone slippage on the programme. Part of the proposal, to establish training centres around the county, may displace existing training provision and there is a concern about lack of partnership with the providers already operating in the area e.g. Spalding</p>
Public Sector Hub FE College, Horncastle	Boston College
<p>Strengths Scored well in terms of Strategic fit - 14.5/20 Deemed a highly deliverable scheme RAG rated green. Shovel ready. All match funding has been secured. Planning permission in place. Detailed design completed. Contracts capable of being awarded in October/November 2020. 25 year lease and HOTs agreed. Will offer in-person face to face teaching</p>	<p>Weaknesses Only 4 classrooms therefore limited on what can be offered. With the exception of learners, the cost of provision of other outputs is high and typically in excess of standard benchmarks.</p>
<p>Opportunities No current college classroom training provision at all in the Horncastle area, New facility will be operated by Boston College as part of an integrated Public Sector Hub. Dilapidated brownfield site brought back into use. Horncastle is right on the border of EL so might impact on West Lindsey & possibly North Kesteven.</p>	<p>Threats Might be a very slight issue with displacement of 16-18 year olds who currently travel to either Lincoln college or Grimsby Institute (either at their Skegness campus or Grimsby itself)</p>

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SKILLS CAPITAL INVESTMENT PROGRAMME

Digital Learning & Infrastructure Project	DN Colleges Group
Strengths Scored highest of these 3 on strategic fit - 15.8/20 Deemed a highly deliverable scheme RAG rated green. Planning approval is not required. Included 8 employer references as part of the submission.	Weaknesses Detailed design not completed. Overall value for money is poor in comparison to other projects.
Opportunities Looks to mothball parts of the college that are deemed unusable and refurbish those that can be easily repaired and tailored to provision. Covid19 means that increases in home and remote working, technology and a broader range of skills including IT support skills are required. Will create a distinctive centre for the new Digital T-level.	Threats Costs could fluctuate once design is finished.

5.8 Officers felt that given the tight timescales of the Getting Building Fund programme deliverability was a key factor to consider when deciding on the final scheme to support. Based on economic assessments and the swot analysis this placed the Public Sector Hub Scheme and Digital Learning and Infrastructure project as the strongest in this regard.

5.9 Of these two projects the most progressed and shovel ready scheme is the Public Sector Hub in Horncastle and there is also currently no training provision in Horncastle. Value for money was also regarded as poor for the Digital Learning and infrastructure scheme; hence Officer recommendation is to provide the final provisional allocation to this project as per the suggested approach in sections 5.3 and 5.4 above.

6. MANAGEMENT OF THE PROGRAMME

6.1 A new Employment and Skills Project Manager post is in the process of being recruited by GL LEP and will be taking on responsibility for management of this skills programme. Schemes will therefore be contracted individually under this programme between the grant recipients and GL LEP post due diligence, but reporting to government will be on a combined format at programme level.

7. COMMENTS FROM THE ACCOUNTABLE BODY

7.1 Positive to see a strong cohort of projects coming forward to deliver under the Skills programme. As required the projects have been scored against the principles of the Local Assurance Framework to assess the highest scoring projects in terms of strategic fit, economic assessment, deliverability and impact. There are clearly 5 top scoring projects however no project was classified as a low priority. The committee will want to consider a programme approach in managing risk and ensuring a broad delivery in the key sectors of agri-food, health and care, manufacturing and engineering, visitor economy, ports and logistics and low carbon.

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SKILLS CAPITAL INVESTMENT PROGRAMME

8. RECOMMENDATION

- 8.1 The investment Board is asked to discuss the recommendations made by the LEP Officers above

Approval of provisional allocations and movement to due diligence stage for the following schemes; The Care CoRE - Boston College, the ELITE in Grimsby, The Construction Centre Extension at Stamford College, the GC Energy Centre at Grantham , and the Lincolnshire IOT at Holbeach.

These schemes will be reviewed individually at due diligence stage to ensure continued value for money and assurance on deliverability and brought back for approval to the investment board.

- 8.2 That the Investment Board formally approves the change request for a further £301,500 to be added to the Skills Capital Investment Programme making an overall revised Programme of £7,884,360.
- 8.3 That the Investment Board recommends to the LEP Board via written procedures a conversion of loan fund to capital grant of a further £459,832 from the remaining £1.9m of Invest and Grow loan fund, to enable a provisional grant allocation of £1,643,000 to the Public Sector Hub scheme in Horncastle subject to full due diligence appraisal and subsequent approval to contracting stage.
- 8.4 The remaining schemes will be added to the LEP's Pipeline for future funding opportunities.

APPENDIX 1

SCORING AND ANALYSIS OF PROJECTS BY THOMAS LISTER

Scheme Name	Applicant	Outputs	Deliverability	Analysis	Score Awarded
Digital learning and Infrastructure Project	DN Colleges Group	<ul style="list-style-type: none"> 330 learners at £4,075 per learner. investment leverage ratio 3:1. 	Currently at RIBA Stage 2 and detailed design not completed; therefore, costs could fluctuate.	This scheme is linked to the Health Skills Project and both schemes will ultimately result in a reduction of teaching space. Only two categories of outputs are being claimed and overall value for money is poor in comparison to other projects. Scores also reflect overall impact which is primarily North Lindsey focused. The stage of delivery for this project is the same as for the Health Care Project only being at RIBA Stage 2 and requiring the detailed design process to be completed. It is acknowledged that planning approval is not required and the work should be relatively straight forward which is reflected in the deliverability score.	TL score awarded is 17 / 30.
Health Skills Project	DN Colleges Group	<ul style="list-style-type: none"> 317 learners at £2,912 per learner. Investment leverage ratio 3:1. 	The project has been designed to RIBA stage 2 and therefore both the design and associated costs for delivering the project could vary.	This project presented with only two outputs being deliverable, being the number of learners and match funding, both of which are in excess of standard benchmarks and thus not good value for money. The overall impact of this project beyond the borders of North Lindsey has not been identified and this is therefore also reflected in the impact score. The deliverability of the project is not considered to be shovel ready as this is only at RIBA Stage 2 and therefore the design, programme and associated costs of the scheme could vary considerably given the relatively early stage of the project which is also reflected in the score.	TL score awarded is 16 / 30.
Field to Fork Food	Bishop	<ul style="list-style-type: none"> 25 new jobs at 	Draft design and	A lesser package of outputs have been estimated	TL score awarded

and Health Hub	Burton College	<p>£16,000 per job.</p> <ul style="list-style-type: none"> • 149 sq m at £2,685 per sq m. • Private investment leverage ratio of 1:1. • 880 learners at £454 per learner. • 25 businesses created at £16,000 per business. • 75 businesses assisted at £5,333 per business. • 330 learners assisted to get jobs in priority sectors, £1,143 per learner. 	specification completed but detailed design will not be completed until December 2021 at which point planning approval will be submitted. Match funding not yet secured, due to be obtained in October 2020. Project not therefore deemed to be shovel ready.	for this project in context with the established position of the college and scale of activities undertaken on the wider campus although, the package of outputs with the exception of match funding are generally very good to excellent value for money. The exception to this is match funding which is at an investment ratio of 1:1. The primary issues with this project relate to deliverability given that match funding is not yet secured, the detailed design process and planning application process is not anticipated to be completed until December 2021. This represents a long leading time followed by a very short procurement process and construction programme of seven months over the winter and Christmas period. There is therefore considerable scope for much to change with the delivery of this project which is not considered to be shovel ready.	is 20 / 30.
GC Energy Centre; Engineering and Construction	Grantham College	<ul style="list-style-type: none"> • 31 new jobs at £51,794 per job. • 28 safeguarded jobs at £57,343 per job. • 1,399 sq. m of floor space, £1,148 per sq m. • 1,303 learners at £1,232 per learner. • 706 learners assisted to get jobs in priority sectors at £2,096 per learner. • 161 businesses assisted at £9,973 per business. • 11 new businesses created at 	The project is deemed to be deliverable although it is noted that detailed design is to be finalised which could mean that costs could vary. In addition, the revenue funding required to support delivery of the project has not been secured.	<p>An extensive package of outputs has been identified as being deliverable by this project which equates to excellent value for money if not considered to be in some cases ambitious in comparison to the package of outputs potentially deliverable by other projects. This is with the exception of match funding which falls below the benchmark of 1:2 and is at 1.88:1.</p> <p>The potential areas of risk with this scheme are that the detailed design is yet to be completed which may have cost and time implications if there are changes made to the scheme through this process. In addition, whilst the capital match funding has been secured, the revenue funding has not and this potentially presents a risk to future the operation of the project. This is reflected in a slightly lower deliverability score.</p>	TL score awarded is 22 / 30.

		<p>£145,964 per business.</p> <ul style="list-style-type: none"> • 25 new courses at £64,224 per course. • 6 updated courses at £267,601 per course. • 422 learners provided with jobs at £3,804 per learner. • 390 learners obtaining jobs in priority sectors at £4,117 per learner. • Private leverage ratio at 1.88:1. 			
Care CoRE (Centre of Excellence for Care)	Boston College	<ul style="list-style-type: none"> • 31 apprenticeships created at £13,371 per apprenticeship. • 240 businesses assisted at £1,727 per business. • 1,400 new learners at £296 per learner. • 7 new courses at £59,214 per course. • 18 updated courses at £23,027 per course. • 245 learners in jobs in priority sectors at £1,692 per learner. • 480 sq m constructed at £863 	The detailed design of the scheme is to be finalised which could result in some cost fluctuations, otherwise the scheme is highly deliverable.	The application presented a strong package of overall outputs, which calculate to provide good value for money and are well reasoned within the detailed business case. All match funding is in place, planning permission is not required and it is only the detailed design for the scheme that is to be finalised. The works posed as part of the scheme primarily relate to fit out of the building including a lift, some internal remodelling and provision of a kitchen and other training areas which are not deemed to be major works and therefore, carry limited risk in terms of being able to undertake. The business case has also demonstrated the ability of the project to seek to deliver a world skills training centre and to provide a Centre of Excellence for Lincolnshire along with direct linkages to other organisations that operate on a national basis.	TL score awarded is 24 / 30.

		<ul style="list-style-type: none"> per sq m. Public and private match leveraged 1:1.89. 			
Route to Success	The Lincolnshire & Rutland Education Business Partnerships (The REBP)	<ul style="list-style-type: none"> Private match funding is 2:1. total match funding including revenue is 1:2. Public match funding investment ratio is 1:1.65. 220 businesses assisted at 909 per business. 1,100 learners at 182 per learner. 440 learners assisted to get jobs in priority sectors at £454 per learner. 	Revenue funding which is a major element of this project has not been secured or fully identified	<p>50% of the funding required for this project is revenue and that has not been secured or formerly identified as specifically the organisations who will provide this revenue support.</p> <p>The application provides little specific detail as to how the scheme would be delivered and there is also concern that concentrating various aspects of skills training and learning on a double decker bus at the time of a COVID pandemic does not seem to meet with current guidance and regulation in terms of restrictions in place and particularly social distancing.</p> <p>It is also considered that the level of outputs provided are optimistic commensurate with the level of information that has been provided within the application and this appears to be at a more concept stage rather than representing a highly deliverable market and policy facing project.</p>	TL score awarded is 16 / 30.
Public Sector Hub FE College, Horncastle	Boston College	<ul style="list-style-type: none"> Investment leverage ratio is 1:3.79. 2 new jobs at £821,500 per job. 15 businesses assisted at £109,533 per businesses. 1,536 learners created at £1,069 per learner. 	No issues identified in terms of this project being able to come forward for delivery and is therefore deemed to be shovel ready.	This project is considered to be highly deliverable given that all match funding has been secured, planning permission in place, detailed design completed and the procurement contracts potentially capable of being awarded in October 2020 with the project completed by January 2022. It is noted that this programme may well have slipped given the programme for considering this project for skills capital funding, nonetheless deliverability is noted. In terms of the outputs and overall impact of the scheme, with exception of the learners, the cost of providing other outputs is high	TL Score awarded is 20 / 30.

		<ul style="list-style-type: none"> • 30 businesses created at £54,766 per business. • 15 learners assisted to get jobs in priority sectors at £109,533 per learner. • 6 new courses created at £177,383 per course. 		and typically in excess of standard benchmarks which impacts on value for money. It is also noted that this project is very East Lindsey focused and that is reflected in the overall score given for impact.	
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	<ul style="list-style-type: none"> • Private sector investment leveraged is 8.53:1. • 2 new jobs created at £1,070,268. • 650 sq m constructed at £3,293 per sq m. • 455 businesses assisted at £4,704 per sq m. • 4,775 learners at £448 per learner. • 9 new training courses at £237,837 per course. • 45 updated courses at £47,567 per course. • 1,459 learners assisted to secure jobs in priority sectors £1,467. 	The project is at a relatively advanced stage although has not yet completed the detailed design stage or secured the planning approval.	<p>A strong package of outputs which generally reflects good value for money and the application demonstrates a significant area of impact given that the college borders and extends its remit across four other counties, the LEP and combined authority areas and across to Cambridgeshire and Peterborough.</p> <p>Where the project scored less highly was on deliverability given the detailed design process has not been undertaken and the scheme does not have planning approval which presents both cost and time risk if there are any issues with the detailed design, cost for the scheme or securing planning permission. Overall, there is little slippage within the overall programme, which is considered to be ambitious and the potential for project time scales to therefore slip into the first quarter of 2022. This is reflected in the deliverability score.</p>	TL score awarded is 22 / 30.

Engineering, Logistics, innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	<ul style="list-style-type: none"> Investment leverage ratio 1:1.41. 1,789 learners at £792 per learner. 12 new courses at £118,132 per course. 248 learners assisted to get jobs in priority sectors. £5,716 per learner 838 sq m of floor space created/refurbished at £1,696 per sq m. 	The project is at a relatively advanced stage although the detailed design has not fully completed and planning approval not yet secured.	<p>This project is not considered to be shovel ready given that the detailed design is not yet completed and planning permission is not in place as required. The overall level of outputs potentially delivered by this project represents very good value for money, with the exception of the match funding leverage ratio.</p> <p>There appears to be a fairly lengthy leading time for this project with the project completion date not anticipated to be until March 2022, although some activity is presented as being active from September 2020 and exactly what this activity is and how this relates to output delivery is not clear.</p>	TL score awarded is 22 / 30.
Lincolnshire Institute of Technology	University of Lincoln	<ul style="list-style-type: none"> Investment leverage ratio is 1:1.29. 12 new jobs at £93,580 per job. 458 sq m floorspace delivered at £2,451 per sq m. 36 new courses at £31,194 per course. 9 updated courses at £124,774 per course. 445 learners at £2,523 per learner. 	The project is shovel ready with planning permission in place. It is noted that the detailed design for the scheme is to be finalised however, is at an advanced stage.	<p>Whilst planning approval is in place and the scheme is relatively advanced, the scheme has achieved RIBA Stage 3 and the detailed design process is yet to be concluded. The risk with the delivery with this project relates to poor ground conditions, which affect the site meaning that extensive piling will be required and this represents and risk to delivery.</p> <p>Whilst the overall impact of the scheme on the Lincolnshire area, being located within the FEZ and the connectivity to other projects that the IoT will have, the overall package of outputs provided within the application are presented as being less than those that might otherwise be achievable particularly in terms of linkages to the employment sector and the ability to assist businesses and learners into employment within priority sectors. Overall, the value for money of the package of outputs is a little lower in comparison of what some</p>	TL score awarded is 20 / 30.

				of the other projects are going to deliver.	
Greater Lincolnshire Analytics and Skills Service (GLASS)	Lincoln College	<ul style="list-style-type: none"> • Match funding investment leverage ratio is 2.33:1. • 17 new jobs at £81,652 per job. • 4 safeguarded jobs at £347,023. • 726 sq m of space delivered at £1,911 per sq m. • 380 businesses assisted at £3,653 per business. • 6,033 learners created at £230 per learner. • 60 businesses created at £23,133 per business. • 95 new courses at £14,611 per course. • 120 updated courses at £11,567 per course. • 1,206 learners assisted to get priority jobs at £1,151 per learner. 	Relatively deliverable with all match funding confirmed except for bank funding, which represents 21% of the total funding package. It is also noted that the detailed design for the project is still to be undertaken and this could result in scheme and cost variations which differ from the project that has been presented.	<p>The budget for delivering both the former fire station on Monks Road along with fitting out and opening up five new digital learning centres appears to be optimistic, particularly given that the detailed design for all of these projects has not yet completed.</p> <p>The other concern is that the bank funding has not been secured which represents a considerable amount of funding at £416,000. This coupled with the fact that the detailed design has not completed does create some element of risk.</p> <p>The other area of concern is that the level of overall numbers of outputs to be created seem to be very high, particularly in comparison to other projects that are delivering either similar or greater amounts of space and learning facilities.</p>	TL score awarded is 20 / 30.

PAPER 7 APPENDIX 2

CURRENT SKILLS PROGRAMME - Growth Deal						
Scheme	Applicant	Activity	Course delivery	Total Cost	Grant Amount	Outputs
Lincoln Digital and Professional Skills Centre	Lincoln College	Refurbishment and expansion of the College's Gibney Building to deliver a new Digital and Professional Skills Centre (DPSC), providing a total of 1,740 sq m of educational floor space	Provision of digital, manufacturing and engineering and healthcare skills delivery. <ul style="list-style-type: none">• Level 2 Diploma in Adult Care• Level 3 Advanced Technical Extended Diploma in Health and Care• Level 2 Aviation Engineering• Level 4 in Engineering Manufacture• Level 4 Certificate in Computer Automation, Internet of Things and Assistive Technology• Level 4 Diploma in Vehicle Maintenance and Repair (IMI)	£4,606,658	£2,300,000	<div>£7.4M Private sector investment levered</div> <div>20 jobs created</div> <div>31 jobs safeguarded</div> <div>837 businesses assisted to improve performance</div> <div>4290 New learners supported (within priority sector)</div> <div>818 Learners securing jobs</div> <div>64 Updated curriculum courses</div> <div>275 Brand new curriculum courses</div> <div>6728 New build training/learning floor space (sqm)</div>
Engineering Manufacturing and Technology centre	Boston College	The development of the 1,376m ² EMAT (Engineering, Manufacturing and Technology) Centre which will create an industry driven training facility that will stimulate growth and productivity across the engineering, manufacturing and agri-tech sectors.	Training, primarily at levels 2, 3 and 4, with provision at level 5 in future years, in a range of engineering and manufacturing competencies including: <ul style="list-style-type: none">• Composite Technology • Computer aided design and manufacture • Pneumatics • Hydraulics • 3D scanning and printing• Laser Cutting • Rapid prototyping • CNC machining • Electronics to include programmable logic control, robotics, artificial intelligence and manufacturing• Telematics • 3 Doodler • Materials testing • Agri-food maintenance	£4,812,184	£2,800,000	
Higher level Technical Business Skills	North Lindsey College	Delivery of a technical, business skills and innovation hub (TBSIH) which comprises Phase 1 of the wider university campus project for North Lincolnshire which is to be located on the periphery of Scunthorpe town centre.	The project will be delivered in partnership with the University of Lincoln and North Lincolnshire Council, offering a seamless progression from level 3 to 8, through short credit rated programmes, executive education and a vibrant space to stimulate and foster innovation. Specifically: <ul style="list-style-type: none">• Degree Apprenticeships - including BA (Honours) Professional Practice and MBA Leadership to Level 7.• Short credit rated business and leadership courses which will provide sequential and staged engagement across engineering, project management, leadership, building high performance teams, succession planning and product and innovation management.• A professional development portfolio for those in associated professional and assistant technician roles.• Enterprise and innovation - support for business start-up for those business associated with product design, innovation management, technology transfer, business development and social enterprise.• Remote technologies, supporting learning in industrial context and flexible modes of delivery.• Two new degree apprenticeship standards approved by highly relevant industries will provide new programmes to be validated at post graduate level.• Construction development - delivered through higher level apprenticeships to develop sustainability and modern methods of construction (MMC) into curricular.• Technical higher education skills - including leadership skills for engineers.• New foundation degrees will be developed in renewable energy, continuous business improvement and network engineering.	£6,900,000	£2,300,000	
Digital Skills Stamford	Stamford College (Part of the Inspire Education Group)	Refurbishment and upgrade of the college's existing Information Technology Suite, situated on the 5th floor within an existing educational building.	Deliver the latest digital qualifications, specifically targeting the healthcare sector and developing this to Level 4 and above. <ul style="list-style-type: none">• Develop the college's computing provision in response to changing needs locally, regionally and nationally and to deliver at least 10 additional qualifications by 2021/22.• Enable curriculum innovation to support business needs in emerging technologies, automated production, agri-tech and renewables, working with at least 150 new employers by 2021/22.• Increase by at least 200%, the number of learners accessing high quality education and training in key sectors, including apprenticeships and HNC/D's by 2021/22.• Support South Kesteven District Council's plans for the creative of a Digital Skills Hub in Stamford by March 2019.• The following qualification options have been identified for future development (within the next 1-3 years): Programming in Unity, Ruby, Java, Swift, Perl, Arduino C (Robotics coding), Digital Media Production, Additive Manufacture (3D Printing), Media Games Development, CISCO, CompTIA+	£912,000	£438,500	

GETTING BUILDING FUND - SUBMISSIONS														
Scheme	Applicant	Activity	Course delivery	Total Cost	Grant Amount	Outputs	Total/50	Rank in all	Overall Project Risk	Match Funding Confirmed	Planning	Detailed Design	Project Start Date	Financial Completion Date
The Care CoRE (Centre of Excellence for Care)	Boston College	Remodelling of existing space along with investment in latest technological innovations	Improving skills within the caring and health sectors (digital focus also) All Levels but focus on 3-4	£786,500	£414,500	31 apprenticeships created at £13,371 per apprenticeship. 240 businesses assisted at £1,727 per business. 1,400 new learners at £296 per learner. 7 new courses at £59,214 per course. 18 updated courses at £23,027 per course. 245 learners in jobs in priority sectors at £1,692 per learner. 480 sq m constructed Public and private match leveraged 1:1.89.	40.5	1	Green	Y	N/A	N (May 21)	Jun-21	Dec-21
Engineering, Logistics, Innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	To build a new hybrid/low carbon vehicle workshop at GIFHE, along with the conversion of an existing building at the Modal Training site along with the purchase of digital resources and simulators	Integrated Package focussing on 'Port and Logistics' sector and supporting the 'Low Carbon/Renewables' and 'Manufacturing and Engineering'. In the main level 1-3	£2,426,084	£1,417,584	Investment leverage ratio 1:1.41. 1,789 learners at £792 per learner. 12 new courses at £118,132 per course. 248 learners assisted to get jobs in priority sectors £5,716 per learner. 838 sq m of floor space created/refurbished	38.7	2	Amber/Green	Y	N (May 21)	N (May 21)	Sep-20	Mar-22
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	Constructing an extension and partial reprovision of a construction skills and motor vehicle centre.	Areas of new curriculum development have been identified and the College is seeking to expand its provision in response to employer demand and industry developments around construction and motor vehicle skills. Full time, part time and apprenticeship courses ranging from entry level to technical level	£2,391,375	£2,140,537	Private sector investment leveraged is 8.53:1 2 new jobs created, 650 sq m constructed 455 businesses assisted 4,775 learners at £448 per learner 9 new training courses at £237,837 per course 45 updated courses at £47,567 per course 1,459 learners assisted to secure jobs in priority sectors £1,467	38.6	3	Amber/Green	Y	N	N (Dec 20)	Sep-20	Jan-22
GC Energy Centre: Engineering and Construction	Grantham College	Refurbishment of an existing building to provide a bespoke workshop and theory led teaching spaces in the construction and engineering sector Purchase of engineering and construction training machinery and specialist equipment.	Construction and engineering sector Levels 2-4	£1,962,937	£1,605,606	31 new jobs 28 safeguarded jobs 1,399 sq. m of floor space 1,303 learners at £1,232 per learner 706 learners assisted to get jobs in priority sectors at £2,096 per learner 161 businesses assisted 11 new businesses created 25 new courses at £64,224 per course 6 updated courses at £267,601 per course 422 learners provided with jobs at £3,804 per learner 390 learners obtaining jobs in priority sectors at £4,117 per learner	38.4	4	Amber/Green	Y (capital)	Y	N	Dec-20	Mar-22
Lincolnshire Institute of Technology (Holbeach Hub)	University of Lincoln	Construction of a new Institute of Technology (IoT) Hub on the Holbeach Food Enterprise Zone.	Training within the food technology and agri-food supply chain sectors and to Develop skills in key digital technology including sensors, artificial intelligence, robotics, machine learning and data analytics. Levels 3-7	£2,569,944	£1,122,965	Investment leverage ratio is 1:1.29 12 new jobs 458 sq m floorspace delivered 36 new courses at £31,194 per course 9 updated courses at £124,774 per course 445 learners at £2,523 per learner	36.1	5	Amber	Y	N (April 20)	N (RIBA 3 complete) (Jan 20)	Oct-20	Mar-22
Greater Lincolnshire Analytics and Skills Service	Lincoln College	Remodelling and refurbishing of the former fire station within the Lincoln College Grounds Cutting edge learning space equipped with the latest Microsoft technologies	Space to host the data analytics Lincolnshire service. In addition, a network of digital community learning centres to deliver employer led support to residents and employees (19+) through structured online learning and face to face teaching within the digital sector to be provided. Focus on key sectors	£1,982,989	£1,388,092	Match funding investment leverage ratio is 2.33:1 17 new jobs 4 safeguarded jobs 726 sq m of space delivered 380 businesses assisted 6,033 learners created at £230 per learner 60 businesses created 95 new courses at £14,611 per course 120 updated courses at £11,567 per course. 1,206 learners assisted to get priority jobs at £1,151 per learner	34.6	6	Amber	Y (Part)	N/A	N (mainly Fit out)	Oct-20	Aug-21
Public Sector Hub FE College, Horncastle	Boston College	Construction of a new learning space within the existing Horncastle College site	Delivery of public, health and education services, with a focus on digital skills, business skills - also includes specialist apprenticeships.	£3,050,500	£1,643,000	Total match funding investment leverage ratio is 1:3.79 2 new jobs 15 businesses assisted 1,536 learners created at £1,069 per learner 30 businesses created at £54,766 per business 15 learners assisted to get jobs in priority sectors at £109,533 per learner 6 new courses created at £177,383 per course	34.5	7	Amber	Y	Y	Y	Oct-20	Dec-21
Digital Learning & Infrastructure Project	DN Colleges Group	Refurbishment and purchase of digital equipment	Digital provision, employer engagement suite	£1,793,062	£1,344,797	330 learners at £4,075 per learner Investment leverage ratio 3:1	32.8	8	Amber	Y	N/A	N (RIBA Stage2) (Dec 20)	Nov-20	Aug-21
'Field to Fork' Food and Health Hub	Bishop Burton College	New-build Food and Health Hub	Commercial training kitchen and dining space to enable training to be provided for food preparation, catering and hospitality	£800,000	£400,000	25 new jobs 149 sq m floorspace delivered Private investment leverage ratio of 1:1 880 learners at £454 per learner 25 businesses created 75 businesses assisted 330 learners assisted to get jobs in priority sectors, £1,143 per learner	32.06	9	Amber	N (Expected Oct 20)	N (Mar 21)	N (Expected Dec 20)	Aug-21	Mar-22
Health Skills Project	DN Colleges Group	Refurbishment and purchase of health equipment	Health, healthcare training and skills provision, including nursing apprenticeships Levels 2-6	£1,230,939	£923,204	317 learners at £2,912 per learner Investment leverage ratio 3:1	31.1	10	Amber	N (Nov 20)	N/A	N (RIBA Stage2) (Dec 20)	Nov-20	Aug-21
Route to Success	The Lincolnshire and Rutland Education Business Partnerships (The EBP)	Acquisition and fitting out of a double decker bus to provide an on board training facility to offer companies	Training delivered will be for employees and Post 16 Programme. (Employer led) Entry Level 1-3	£400,000	£200,000	Private match funding is 2:1 Total match funding including revenue is 1:2 Public match funding investment ratio is 1:1.65 220 businesses assisted 1,100 learners at 182 per learner 440 learners assisted to get jobs in priority sectors at £454 per learner	24.2	11	Amber	Y (Capital only)	N/A	N (Oct 20)	Jan-21	Mar-22



Assessment of Project Applications

in relation to

**Greater Lincolnshire Skills Capital Programme
September 2020 – March 2022**

on behalf of

Greater Lincolnshire Local Enterprise Partnership

**14th October 2020
Paper 7.1**

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APPENDICES

- I. SCORING MATRIX

1.0 PURPOSE OF THE REPORT

- 1.1 Thomas Lister were appointed by Greater Lincolnshire Local Enterprise Partnership (GL LEP) to undertake the scoring of projects submitted following a pipeline call for a Skills Capital Programme to operate from September 2020 up until March 2022.
- 1.2 The project applications submitted have firstly been subject to scoring by the GL LEP Client Team to assess fit with the Skills Capital Programme objectives, criteria and wider strategic fit.
- 1.3 The scoring undertaken by Thomas Lister is in relation to the economic benefits created by the project, overall deliverability and impact.
- 1.4 The individual scores for each project for strategic fit have been populated by the Client Team and subsequently by Thomas Lister to provide a comprehensive set of scores and ranking, to identify and prioritise a programme of projects following the scoring process.
- 1.5 The completed scoring matrix has been reviewed and agreed collectively between the Client Team and Thomas Lister and the outcome of this process detailed within this report.
- 1.6 It is confirmed that the scoring has been undertaken by Rachel Lister, Director at Thomas Lister. Rachel has the required skills, knowledge and expertise to be able to undertake this commission and is pleased to report as follows;

2.0 OBJECTIVES AND CRITERIA OF THE PROGRAMME

- 2.1 The Skills Capital Programme comprises £7.6 million, with all funds requiring to be spent by March 2022, and outcomes delivered by 2025. The fund is for capital projects and must demonstrate how applicants would be better able to train Lincolnshire residents for occupations in the areas six most important sectors being, agri-food, health and care, manufacturing and engineering, visitor economy, ports and logistics and low carbon, along with occupations in the construction sector, defence and digital sectors. Projects without an impact on these sectors are not eligible for funding.
- 2.2 Funding is available for the following items of expenditure;
 - Construction of new buildings.
 - Refurbishment of existing buildings.
 - The purchase of new training equipment.
 - Works to improve digital technologies.
 - Steps to improve technological infrastructure and service resilience.
 - Investment to reduce carbon footprint and improve energy efficiency in existing educational facilities which result in new training provision.
- 2.3 The minimum amount of funding that can be applied for is £200,000. The outcome of this process is to make recommendations to the GL LEP Investment Board as to an allocation of investment for the highest scoring projects, noting that these will be subject to further due diligence if invited to proceed by the GL LEP Board.

3.0 PROJECT APPLICATIONS RECEIVED

3.1 A total of eleven formal business cases were submitted on the template provided by GL LEP, and details of each project are shown in the table below;

Scheme Name	Applicant	Brief Description	Total Project Cost	Skills Capital Programme Funding Sought	Proportion of Skills Capital Funding
Digital Learning and Infrastructure Project	DN Colleges Group	The project comprises two elements being the full refurbishment of an existing building to provide highly flexible teaching facilities to support digital provision training along with an employer engagement suite. The second element will fund improvements to digital infrastructure to assist with online teaching and learning applications along with a purchase of digital equipment and other technologies to enrich learning experiences for students.	£1,793,062	£1,344,797	75%
Health Skills Project	DN Colleges Group	Comprising two main elements, being the full refurbishment of an existing building to enable provision of health, child and social care, teaching facilities along with an employer engagement suite. The second project element comprises the purchase of health equipment to enable the expansion of health, healthcare training and skills provision, including nursing apprenticeships to be delivered.	£1,230,939	£923,204	75%
Field to Fork Food and Health Hub	Bishop Burton College	A new-build Food and Health Hub on the Rise Holme Showground Campus including a commercial training kitchen and dining space to enable training to be provided for food preparation, catering and hospitality whilst promoting healthy eating and an understanding of where food comes from.	£800,000	£400,000	50%
GC Energy Centre; Engineering	Grantham College	The refurbishment of an existing building to provide a bespoke workshop and theory led teaching spaces in the construction and engineering sector in a cross disciplinary	£2,463,207	£1,605,606	65.18%

and Construction		learning environment. The project also includes the purchase of engineering and construction training machinery and specialist equipment.			
Care CoRE (Centre of Excellence for Care)	Boston College	Provision of a multi-functional training centre focusing on improving digital skills within the caring and health sectors. The project will involve the remodelling of existing space along with investment in latest technological innovations to enable training to be undertaken.	£786,500	£414,500	56%
Route to Success	The Lincolnshire & Rutland Education Business Partnerships (The REBP)	Acquisition and fitting out of a double decker bus to provide an onboard training facility to offer companies an opportunity to upskill existing employees with bespoke staff training and recognised qualifications directly to the employer on-site. Training delivered will be for employees and Post 16 Programme.	£400,000	£200,000	50%
Public Sector Hub FE College, Horncastle	Boston College	The construction of a new learning space within the existing Horncastle College site, to enable the more efficient delivery of public, health and education services with a focus on digital skills.	£3,050,500	£1,643,000	54%
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	Constructing an extension and partial reprovision of a construction skills and motor vehicle centre. Areas of new curriculum development have been identified and the College is seeking to expand its provision in response to employer demand and industry developments.	£2,391,375	£2,140,537	90%
Engineering, Logistics, innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	Funding is sought for two TEC partnership sites at the Grimsby Institute of Further and Higher Educations (GIFHE) and the Modal Training Centre at Immingham. Funding is being sought to build a new hybrid/low carbon vehicle workshop at GIFHE, along with the conversion of an existing building at the Modal	£2,426,084	£1,417,584	58%

		Training site along with the purchase of digital resources and simulators to enable to provide new training spaces and course provision.			
Lincolnshire Institute of Technology	University of Lincoln	The Construction of a new Institute of Technology (IoT) Hub on the Holbeach Food Enterprise Zone, to provide training within the food technology and agri-food supply chain sectors and to develop skills in key digital technology including sensors, artificial intelligence, robotics, machine learning and data analytics.	£2,569,714	£1,122,965	43.7%
Greater Lincolnshire Analytics and Skills Service	Lincoln College	Remodelling and refurbishing of the former fire station within the Lincoln College Grounds to provide cutting edge learning space equipped with the latest Microsoft technologies and providing space to host the data analytics Lincolnshire service. In addition, a network of digital community learning centres to deliver employer led support to residents and employees through structured online learning and face to face teaching within the digital sector to be provided.	£1,982,989	£1,388,092	70%

3.2 The total cost of all project applications submitted under the pipeline call is £19,394,330. Total Skills Capital Programme funding sought is £12,600,285, meaning that the fund is oversubscribed by circa 66%.

4.0 BASIS OF THOMAS LISTER SCORING

4.1 The assessment of projects by Thomas Lister is to specifically score the projects in relation to economic outputs and value for money, deliverability and potential overall scheme impacts. Each of these areas of assessment carries a maximum of 10 points.

4.2 Allocating a score to each of the project applications has been undertaken strictly in accordance with the information provided within the Detailed Business Case and supporting information submitted under the pipeline call.

4.3 For each of the scores that Thomas Lister have undertaken, projects have been assessed against the following specific criteria;

i. The Economic Assessment

All projects have been assessed in terms of the nature and type of outputs being delivered, which for this fund are required to be learners, new curriculum delivered and new training spaces in particular. The greater number of categories of outputs potentially delivered by each project, the greater the score.

Therefore, for projects which deliver new learners only, this would attract a lower score than a project which was delivering new learners, training space and new curriculum.

In addition, the overall number of outputs being delivered within each category is also being assessed, commensurate with the overall amount of funding being sought.

The final element of assessment therefore looks at the cost of creating each output to GL LEP and comparison with benchmarks, in comparison with value for money benchmarks in this regard.

ii. Deliverability

There are a number of factors that potentially affect the delivery of projects and points have been attributed equally across the following areas;

- Ownership of the asset is secured from which the proposed project will be operated.
- Detailed design of the scheme is completed thus giving programme and costs certainty.
- Projects will need to have completed RIBA Stage 3 as a minimum in order to be considered shovel ready, though RIBA Stage 4 is preferred.
- Planning permission is in place, or is capable of being obtained within 3 – 6 months.
- Match funding has been secured.
- Other factors such as approvals pending, physical or resource constraints and the stage of procurement the project has reached, or any other matters requiring to be addressed.

iii. Project Impact

Overall impact is assessed in terms of whether the project will operate locally, or on a district or county wide basis. Promotion of the Greater Lincolnshire area on a national or overseas basis is also considered if appropriate.

Consideration is also given to whether the project directly supports or cuts across one or more priority sectors.

- 4.4 The intention of the application of the above criteria is to seek to assess all projects on a fair, reasonable and consistent basis.

5.0 RESULTS OF THE PROJECT SCORING AND RANKING

- 5.1 All projects have been scored in accordance with the criteria detailed in Section 4 above and the summary analysis of each of the projects is detailed in the table below;

Scheme Name	Applicant	Outputs	Deliverability
Digital Learning and Infrastructure Project	DN Colleges Group	<ul style="list-style-type: none">• 330 learners at £4,075 per learner.• investment leverage ratio 3:1.	Detailed design not completed; therefore, costs could fluctuate.

Health Skills Project	DN Colleges Group	<ul style="list-style-type: none"> • 317 learners at £2,912 per learner. • Investment leverage ratio 3:1. 	The project has been designed to RIBA Stage 2 and therefore, both the design and associated costs for delivering the project could vary.
Field to Fork Food and Health Hub	Bishop Burton College	<ul style="list-style-type: none"> • 25 new jobs at £16,000 per job. • 149 sq m at £2,685 per sq m. • Private investment leverage ratio of 1:1. • 880 learners at £454 per learner. • 25 businesses created at £16,000 per business. • 75 businesses assisted at £5,333 per business. • 330 learners assisted to get jobs in priority sectors, £1,143 per learner. 	Draft design and specification completed but detailed design will not be completed until December 2021 at which point planning approval will be submitted. Match funding not yet secured, due to be obtained in October 2020. Project not therefore deemed to be shovel ready.
GC Energy Centre; Engineering and Construction	Grantham College	<ul style="list-style-type: none"> • 31 new jobs at £51,794 per job. • 28 safeguarded jobs at £57,343 per job. • 1,399 sq. m of floor space, £1,148 per sq m. • 1,303 learners at £1,232 per learner. • 706 learners assisted to get jobs in priority sectors at £2,096 per learner. • 161 businesses assisted at £9,973 per business • 11 new businesses created at £145,964 per business. • 25 new courses at £64,224 per course. • 6 updated courses at £267,601 per course. • 422 learners provided with jobs at £3,804 per learner. • 390 learners obtaining jobs in priority sectors at £4,117 per learner. • Private leverage ratio at 1.88:1. 	The project is deemed to be deliverable although it is noted that detailed design is to be finalised which could mean that costs could vary. In addition, the revenue funding required to support delivery of the project has not been secured. Revenue funding of £500,000 is to be sourced from apprenticeships and additional learners enrolled on new courses. This will be required over the academic years 2021-2025, whilst the college are not anticipating issues with take up of courses, there is a risk that any reduction in take up could result in a revenue shortfall.
Care CoRE (Centre of Excellence for Care)	Boston College	<ul style="list-style-type: none"> • 31 apprenticeships created at £13,371 per apprenticeship. • 240 businesses assisted at £1,727 per business. • 1,400 new learners at £296 per learner. • 7 new courses at £59,214 per course. 	The detailed design of the scheme is to be finalised which could result in some cost fluctuations, otherwise the scheme is highly deliverable.

		<ul style="list-style-type: none"> • 18 updated courses at £23,027 per course. • 245 learners in jobs in priority sectors at £1,692 per learner. • 480 sq m constructed at £863 per sq m. • Public and private match leveraged 1:1.89. 	
Route to Success	The Lincolnshire & Rutland Education Business Partnerships (The REBP)	<ul style="list-style-type: none"> • Private match funding is 2:1. • Total match funding including revenue is 1:2. • Public match funding investment ratio is 1:1.65. • 220 businesses assisted at 909 per business. • 1,100 learners at 182 per learner. • 440 learners assisted to get jobs in priority sectors at £454 per learner. 	Revenue funding which is a major element of this project has not been secured or fully identified.
Public Sector Hub FE College, Horncastle	Boston College	<ul style="list-style-type: none"> • Total match funding investment leverage ratio is 1:3.79. • 2 new jobs at £821,500 per job. • 15 businesses assisted at £109,533 per businesses. • 1,536 learners created at £1,069 per learner. • 30 businesses created at £54,766 per business. • 15 learners assisted to get jobs in priority sectors at £109,533 per learner. • 6 new courses created at £177,383 per course. 	No issues identified in terms of this project being able to come forward for delivery and it is therefore deemed to be shovel ready.
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	<ul style="list-style-type: none"> • Private sector investment leveraged is 8.53:1. • 2 new jobs created at £1,070,268, 650 sq m constructed at £3,293 per sq m. • 455 businesses assisted at £4,704 per sq m. • 4,775 learners at £448 per learner. • 9 new training courses at £237,837 per course. • 45 updated courses at £47,567 per course. • 1,459 learners assisted to secure jobs in priority sectors £1,467. 	<p>The project is at a relatively advanced stage, although has not yet completed the detailed design stage or secured the planning approval.</p> <p>Detailed designs are forecast to be available mid-December, whilst planning permission is to be applied for in mid-October with a ten week approval process. It is not known whether this programme has slipped at this stage.</p>

Engineering, Logistics, innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	<ul style="list-style-type: none"> Investment leverage ratio 1:1.41. 1,789 learners at £792 per learner. 12 new courses at £118,132 per course. 248 learners assisted to get jobs in priority sectors. £5,716 per learner. 838 sq m of floor space created/refurbished at £1,696 per sq m. 	<p>The project is at a relatively advanced stage although the detailed design has not fully completed and planning approval not yet secured.</p> <p>Planning statutory approvals and completion by May 2021 of the detailed design process are all anticipated to be in place.</p>
Lincolnshire Institute of Technology	University of Lincoln	<ul style="list-style-type: none"> Investment leverage ratio is 1:1.29. 12 new jobs at £93,580 per job. 458 sq m floorspace delivered at £2,451 per sq m. 36 new courses at £31,194 per course and 9 updated courses at £124,774 per course. 445 learners at £2,523 per learner. 	<p>The project is shovel ready with planning permission in place. It is noted that the detailed design for the scheme is to be finalised however, is at an advanced stage.</p>
Greater Lincolnshire Analytics and Skills Service (GLASS)	Lincoln College	<ul style="list-style-type: none"> Match funding investment leverage ratio is 2.33:1. 17 new jobs at £81,652 per job. 4 safeguarded jobs at £347,023, 726 sq m of space delivered at £1,911 per sq m. 380 businesses assisted at £3,653 per business. 6,033 learners created at £230 per learner. 60 businesses created at £23,133 per business. 95 new courses at £14,611 per course 120 updated courses at £11,567 per course. 1,206 learners assisted to get priority jobs at £1,151 per learner. 	<p>Relatively deliverable with all match funding confirmed except for bank funding, which represents 21% of the total funding package. A decision on the bank funding is anticipated by October 2020 but it is not known whether this timescale will be adhered or otherwise. It is also noted that the detailed design for the project is still to be undertaken and this could result in scheme and cost variations which differ from the project that has been presented. This will be completed once all required funding is confirmed.</p>

5.2 Value for money of outputs generated has been assessed in accordance with standard benchmarks where available and is detailed as follows;

- Match funding/leverage at a benchmark ratio of 1:2, reflects that £1 of public investment from GL LEP results in match funding of £2, and on this basis represents value for money.
- Cost per job either created or safeguarded up to £15,000 per job is deemed good value for money.

- Cost per sq m of floorspace refurbished or constructed at £2,100 is in accordance with Department for Education (DfE) benchmarks equates to value for money.
- Cost per learner varies subject to the level of qualification being provided. We have a typical average cost per learner of £1,500 and has therefore been utilised as a value for money benchmark. This is in accordance with DfE standards and typical thresholds used by economists in assessing similar projects.
- A benchmark for businesses assisted/created varies subject to the nature and type of business being supported and benchmarks typically vary between £15,000 and £20,000 per business.
- For new course provision, we are not aware of any standard benchmarks at this time and therefore, the assessment of costs for providing new dated courses has been considered more in comparison of all projects and variances noted in this regard.

5.3 The application of the benchmarks and value for money for each of the projects has been input into a scoring matrix, the outcome of which is shown in the table below;

Pipeline Scheme	Strategic/20	Rank Tier 1	Economic/10	Deliverability/10	Impact/10	Total/50	Rank in all
Scheme title							
Digital Learning & Infrastructure Project	15.8	6	3	8	6	32.8	8
Health Skills Project	15.1	7	4	6	6	31.1	10
'Field to Fork' Food and Health Hub	12.06	10	8	4	8	32.06	9
GC Energy Centre: Engineering and Construction	16.4	4	8	6	8	38.4	4
'The Care CoRE' (Centre of Excellence for Care)	16.5	3	8	8	8	40.5	1
Route to Success	8.2	11	6	5	5	24.2	11
Public Sector Hub FE College, Horncastle	14.5	9	6	8	6	34.5	7
Construction Centre Extension	16.6	2	8	6	8	38.6	3
Engineering, Logistics, Innovation, Technology and Energy Skills (ELITE)	16.7	1	8	6	8	38.7	2
Lincolnshire Institute of Technology (Holbeach Hub)	16.1	5	6	6	8	36.1	5

Greater Lincolnshire Analytics and Skills Service	14.6	8	8	6	6	34.6	6
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5.4 Therefore, based upon the overall scores and ranking of projects, the order of priority for funding is summarised as follows;

- i. The Care CoRE – Skills Capital Fund of £414,500.
- ii. ELITE – Skill capital fund of £1,417,584.
- iii. Construction Centre Extension – Skills capital fund of £2,140,537.
- iv. GC Energy Centre Engineering and Construction – Skills Capital Fund of 1,605,606.
- v. Lincolnshire IoT (Holbeach Hub) – Skills Capital Fund of £1,122,965.
- vi. GLASS – Skills Capital Fund of 1,388,092.
- vii. Public Sector FE College, Horncastle – Skills Capital Fund of £1,643,000.
- viii. Digital Learning and Infrastructure Project – Skills Capital Fund of £1,334,797.
- ix. Filed to Fork Food and Health Hub – Skills Capital Fund of £400,000.
- x. Health Skills Project Funding – Skills Capital Fund of £923,204.
- xi. The Route to Success – Skills Capital Fund of £200,000.

5.5 A copy of the full scoring matrix is provided as an appendix to this report.

5.6 On the basis of the overall scoring and against a budget of £7.6 million, the following projects could receive an allocation of funding;

- i. The Care CoRE
- ii. ELITE
- iii. Construction Centre Extension
- iv. GC Engineering Centre
- v. The Lincolnshire IoT (Holbeach Hub)

5.7 The total amount of funding required for the above projects is £6,701,192. This means that there is a balance of £898,808 remaining, which could be either offered to enable the partial delivery of the GLASS Project to see if a scaled down project could be delivered. Alternatively, the funds could be allocated to projects seeking lesser amounts of funding or subject to a pipeline call.

5.8 Interestingly, the scoring undertaken separately across differing matters by the Client Team and Thomas Lister, resulted in the highest scoring projects within the top four all being the same projects, albeit in a slightly differing order.

5.9 On summary review of each project application considered, the response to the call for projects met with a good level of interest with the majority of the projects delivering outputs

in accordance with the programme objectives and criteria, and on the whole being relatively shovel ready.

- 5.10 Without exception, all projects have minor issues to be addressed prior to being fully shovel ready. It is understood that further due diligence will be required to be completed for all projects to be progressed under the programme to address matters, such as completing the detailed design scheme and resolving any outstanding planning matters before being in a position to commence on-site.
- 5.11 Such matters do carry with them cost implications, which may impact on the deliverability of a project if there is not appropriate means to mitigate such cost increases and whereby applicants are not in a position to increase match funding.
- 5.12 These issues will be capable of being fully assessed within the next stage of due diligence on the highest scoring projects in order to enable more robust investment recommendations to be made.

6.0 CONCLUSIONS AND RECOMMENDATIONS

- 6.1 A comprehensive assessment and scoring of projects has been undertaken by the GL LEP Client Team and Thomas Lister in relation to eleven Full Business Cases, submitted under a call for projects for the Skills Capital Programme Fund, comprising £7.6 million.
- 6.2 Whilst the GL LEP Client Team have concentrated on strategic fit and compliance with the objectives and criteria of the Skills Capital Programme, Thomas Lister have concentrated on the value for money, deliverability and potential impact of all schemes.
- 6.3 The separate areas of assessment have culminated in a combined scoring and ranking of projects being undertaken in order to provide a programme of projects in order of priority, to take forward to a more detailed due diligence prior to an award of funding being recommended.
- 6.4 The outcome of the individual and collective scoring process has been that the top four projects identified through the combined scoring, were also the top four scoring projects assessed by both GL LEP and Thomas Lister, although the order of scoring was slightly different.
- 6.5 This is a highly positive outcome given that the projects considered to have the highest strategic fit are also those which have been assessed as to generate the most value for money and also high deliverability.
- 6.6 An initial allocation of funding for the top six projects, would result in a total requirement from the Skills Capital Programme of £6,701,192. This would result in a surplus of funding of £898,808 remaining within the programme, which could be offered as partial funding to another project or held in reserve by GL LEP, pending the outcome of further due diligence and for further pipeline calls to be undertaken.
- 6.7 Given that the majority of projects have some issues to address in terms of deliverability and being in a position to formally proceed, it is recommend that the next stage of due diligence requests applicants to address specific issues identified, and to ensure that the respective stages of project development have completed, including detailed design, completing site ownership, planning, match funding secured and ability and associated time scales to complete the procurement process.

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Date: 14th October 2020

APPENDIX I

SCORING MATRIX

SCORING AND ANALYSIS OF PROJECTS BY THOMAS LISTER

Scheme Name	Applicant	Outputs	Deliverability	Analysis	Score Awarded
Digital learning and Infrastructure Project	DN Colleges Group	<ul style="list-style-type: none"> 330 learners at £4,075 per learner. investment leverage ratio 3:1. 	Currently at RIBA Stage 2 and detailed design not completed; therefore, costs could fluctuate.	This scheme is linked to the Health Skills Project and both schemes will ultimately result in a reduction of teaching space. Only two categories of outputs are being claimed and overall value for money is poor in comparison to other projects. Scores also reflect overall impact which is primarily North Lindsey focused. The stage of delivery for this project is the same as for the Health Care Project only being at RIBA Stage 2 and requiring the detailed design process to be completed. It is acknowledged that planning approval is not required and the work should be relatively straight forward which is reflected in the deliverability score.	TL score awarded is 17 / 30.
Health Skills Project	DN Colleges Group	<ul style="list-style-type: none"> 317 learners at £2,912 per learner. Investment leverage ratio 3:1. 	The project has been designed to RIBA stage 2 and therefore both the design and associated costs for delivering the project could vary.	This project presented with only two outputs being deliverable, being the number of learners and match funding, both of which are in excess of standard benchmarks and thus not good value for money. The overall impact of this project beyond the borders of North Lindsey has not been identified and this is therefore also reflected in the impact score. The deliverability of the project is not considered to be shovel ready as this is only at RIBA Stage 2 and therefore the design, programme and associated costs of the scheme could vary considerably given the relatively early stage of the project which is also reflected in the score.	TL score awarded is 16 / 30.

Field to Fork Food and Health Hub	Bishop Burton College	<ul style="list-style-type: none"> • 25 new jobs at £16,000 per job. • 149 sq m at £2,685 per sq m. • Private investment leverage ratio of 1:1. • 880 learners at £454 per learner. • 25 businesses created at £16,000 per business. • 75 businesses assisted at £5,333 per business. • 330 learners assisted to get jobs in priority sectors, £1,143 per learner. 	Draft design and specification completed but detailed design will not be completed until December 2021 at which point planning approval will be submitted. Match funding not yet secured, due to be obtained in October 2020. Project not therefore deemed to be shovel ready.	A lesser package of outputs have been estimated for this project in context with the established position of the college and scale of activities undertaken on the wider campus although, the package of outputs with the exception of match funding are generally very good to excellent value for money. The exception to this is match funding which is at an investment ratio of 1:1. The primary issues with this project relate to deliverability given that match funding is not yet secured, the detailed design process and planning application process is not anticipated to be completed until December 2021. This represents a long leading time followed by a very short procurement process and construction programme of seven months over the winter and Christmas period. There is therefore considerable scope for much to change with the delivery of this project which is not considered to be shovel ready.	TL score awarded is 20 / 30.
GC Energy Centre; Engineering and Construction	Grantham College	<ul style="list-style-type: none"> • 31 new jobs at £51,794 per job. • 28 safeguarded jobs at £57,343 per job. • 1,399 sq. m of floor space, £1,148 per sq m. • 1,303 learners at £1,232 per learner. • 706 learners assisted to get jobs in priority sectors at £2,096 per learner. • 161 businesses assisted at £9,973 per business. 	The project is deemed to be deliverable although it is noted that detailed design is to be finalised which could mean that costs could vary. In addition, the revenue funding required to support delivery of the project has not been secured.	<p>An extensive package of outputs has been identified as being deliverable by this project which equates to excellent value for money if not considered to be in some cases ambitious in comparison to the package of outputs potentially deliverable by other projects. This is with the exception of match funding which falls below the benchmark of 1:2 and is at 1.88:1.</p> <p>The potential areas of risk with this scheme are that the detailed design is yet to be completed which may have cost and time implications if there are changes made to the scheme through this process. In addition, whilst the capital match funding has been secured, the revenue funding has not and this potentially presents a risk to future the operation of</p>	TL score awarded is 22 / 30.

		<ul style="list-style-type: none"> • 11 new businesses created at £145,964 per business. • 25 new courses at £64,224 per course. • 6 updated courses at £267,601 per course. • 422 learners provided with jobs at £3,804 per learner. • 390 learners obtaining jobs in priority sectors at £4,117 per learner. • Private leverage ratio at 1.88:1. 		the project. This is reflected in a slightly lower deliverability score.	
Care CoRE (Centre of Excellence for Care)	Boston College	<ul style="list-style-type: none"> • 31 apprenticeships created at £13,371 per apprenticeship. • 240 businesses assisted at £1,727 per business. • 1,400 new learners at £296 per learner. • 7 new courses at £59,214 per course. • 18 updated courses at £23,027 per course. • 245 learners in jobs in priority sectors at £1,692 per learner. 	The detailed design of the scheme is to be finalised which could result in some cost fluctuations, otherwise the scheme is highly deliverable.	The application presented a strong package of overall outputs, which calculate to provide good value for money and are well reasoned within the detailed business case. All match funding is in place, planning permission is not required and it is only the detailed design for the scheme that is to be finalised. The works posed as part of the scheme primarily relate to fit out of the building including a lift, some internal remodelling and provision of a kitchen and other training areas which are not deemed to be major works and therefore, carry limited risk in terms of being able to undertake. The business case has also demonstrated the ability of the project to seek to deliver a world skills training centre and to provide a Centre of Excellence for	TL score awarded is 24 / 30.

		<ul style="list-style-type: none"> • 480 sq m constructed at £863 per sq m. • Public and private match leveraged 1:1.89. 		Lincolnshire along with direct linkages to other organisations that operate on a national basis.	
Route to Success	The Lincolnshire & Rutland Education Business Partnerships (The REBP)	<ul style="list-style-type: none"> • Private match funding is 2:1. • total match funding including revenue is 1:2. • Public match funding investment ratio is 1:1.65. • 220 businesses assisted at 909 per business. • 1,100 learners at 182 per learner. • 440 learners assisted to get jobs in priority sectors at £454 per learner. 	Revenue funding which is a major element of this project has not been secured or fully identified	<p>50% of the funding required for this project is revenue and that has not been secured or formerly identified as specifically the organisations who will provide this revenue support.</p> <p>The application provides little specific detail as to how the scheme would be delivered and there is also concern that concentrating various aspects of skills training and learning on a double decker bus at the time of a COVID pandemic does not seem to meet with current guidance and regulation in terms of restrictions in place and particularly social distancing.</p> <p>It is also considered that the level of outputs provided are optimistic commensurate with the level of information that has been provided within the application and this appears to be at a more concept stage rather than representing a highly deliverable market and policy facing project.</p>	TL score awarded is 16 / 30.
Public Sector Hub FE College, Horncastle	Boston College	<ul style="list-style-type: none"> • Investment leverage ratio is 1:3.79. • 2 new jobs at £821,500 per job. • 15 businesses assisted at £109,533 per businesses. 	No issues identified in terms of this project being able to come forward for delivery and is therefore deemed to be shovel ready.	This project is considered to be highly deliverable given that all match funding has been secured, planning permission in place, detailed design completed and the procurement contracts potentially capable of being awarded in October 2020 with the project completed by January 2022. It is noted that this programme may well have slipped given the programme for considering this project for skills capital funding, nonetheless deliverability is noted. In terms of the outputs and	TL Score awarded is 20 / 30.

		<ul style="list-style-type: none"> • 1,536 learners created at £1,069 per learner. • 30 businesses created at £54,766 per business. • 15 learners assisted to get jobs in priority sectors at £109,533 per learner. • 6 new courses created at £177,383 per course. 		<p>overall impact of the scheme, with exception of the learners, the cost of providing other outputs is high and typically in excess of standard benchmarks which impacts on value for money. It is also noted that this project is very East Lindsey focused and that is reflected in the overall score given for impact.</p>	
Construction Centre Extension	Stamford College (Part of the Inspire Education Group)	<ul style="list-style-type: none"> • Private sector investment leveraged is 8.53:1. • 2 new jobs created at £1,070,268. • 650 sq m constructed at £3,293 per sq m. • 455 businesses assisted at £4,704 per sq m. • 4,775 learners at £448 per learner. • 9 new training courses at £237,837 per course. • 45 updated courses at £47,567 per course. • 1,459 learners assisted to secure 	<p>The project is at a relatively advanced stage although has not yet completed the detailed design stage or secured the planning approval.</p>	<p>A strong package of outputs which generally reflects good value for money and the application demonstrates a significant area of impact given that the college borders and extends its remit across four other counties, the LEP and combined authority areas and across to Cambridgeshire and Peterborough.</p> <p>Where the project scored less highly was on deliverability given the detailed design process has not been undertaken and the scheme does not have planning approval which presents both cost and time risk if there are any issues with the detailed design, cost for the scheme or securing planning permission. Overall, there is little slippage within the overall programme, which is considered to be ambitious and the potential for project time scales to therefore slip into the first quarter of 2022. This is reflected in the deliverability score.</p>	<p>TL score awarded is 22 / 30.</p>

		jobs in priority sectors £1,467.			
Engineering, Logistics, innovation, Technology and Energy Skills (ELITE)	TEC Partnership, Grimsby	<ul style="list-style-type: none"> Investment leverage ratio 1:1.41. 1,789 learners at £792 per learner. 12 new courses at £118,132 per course. 248 learners assisted to get jobs in priority sectors. £5,716 per learner 838 sq m of floor space. created/refurbished at £1,696 per sq m. 	The project is at a relatively advanced stage although the detailed design has not fully completed and planning approval not yet secured.	<p>This project is not considered to be shovel ready given that the detailed design is not yet completed and planning permission is not in place as required. The overall level of outputs potentially delivered by this project represents very good value for money, with the exception of the match funding leverage ratio.</p> <p>There appears to be a fairly lengthy leading time for this project with the project completion date not anticipated to be until March 2022, although some activity is presented as being active from September 2020 and exactly what this activity is and how this relates to output delivery is not clear.</p>	TL score awarded is 22 / 30.
Lincolnshire Institute of Technology	University of Lincoln	<ul style="list-style-type: none"> Investment leverage ratio is 1:1.29. 12 new jobs at £93,580 per job. 458 sq m floorspace delivered at £2,451 per sq m. 36 new courses at £31,194 per course. 9 updated courses at £124,774 per course. 445 learners at £2,523 per learner. 	The project is shovel ready with planning permission in place. It is noted that the detailed design for the scheme is to be finalised however, is at an advanced stage.	<p>Whilst planning approval is in place and the scheme is relatively advanced, the scheme has achieved RIBA Stage 3 and the detailed design process is yet to be concluded. The risk with the delivery with this project relates to poor ground conditions, which affect the site meaning that extensive piling will be required and this represents and risk to delivery.</p> <p>Whilst the overall impact of the scheme on the Lincolnshire area, being located within the FEZ and the connectivity to other projects that the IoT will have, the overall package of outputs provided within the application are presented as being less than those that might otherwise be achievable particularly in terms of linkages to the employment sector and the ability to assist businesses and learners into employment within priority sectors.</p>	TL score awarded is 20 / 30.

				Overall, the value for money of the package of outputs is a little lower in comparison of what some of the other projects are going to deliver.	
Greater Lincolnshire Analytics and Skills Service (GLASS)	Lincoln College	<ul style="list-style-type: none"> • Match funding investment leverage ratio is 2.33:1. • 17 new jobs at £81,652 per job. • 4 safeguarded jobs at £347,023. • 726 sq m of space delivered at £1,911 per sq m. • 380 businesses assisted at £3,653 per business. • 6,033 learners created at £230 per learner. • 60 businesses created at £23,133 per business. • 95 new courses at £14,611 per course. • 120 updated courses at £11,567 per course. • 1,206 learners assisted to get priority jobs at £1,151 per learner. 	Relatively deliverable with all match funding confirmed except for bank funding, which represents 21% of the total funding package. It is also noted that the detailed design for the project is still to be undertaken and this could result in scheme and cost variations which differ from the project that has been presented.	<p>The budget for delivering both the former fire station on Monks Road along with fitting out and opening up five new digital learning centres appears to be optimistic, particularly given that the detailed design for all of these projects has not yet completed.</p> <p>The other concern is that the bank funding has not been secured which represents a considerable amount of funding at £416,000. This coupled with the fact that the detailed design has not completed does create some element of risk.</p> <p>The other area of concern is that the level of overall numbers of outputs to be created seem to be very high, particularly in comparison to other projects that are delivering either similar or greater amounts of space and learning facilities.</p>	TL score awarded is 20 / 30.

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Publication	Public Paper (Published)					
Meeting date:	11 November 2020					
Agenda Item:	8					
Item Subject:	LSIP Phase 2 – Approval to Contracting					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	

1. SUMMARY

- 1.1 This paper seeks Investment Board approval to contracting stage for the Lincoln Science and Innovation Park (LSIP) Phase 2 project. The project is being considered as part of the Getting Building Fund Programme.

2. BACKGROUND

- 2.1 The LSIP Phase 2 Project was submitted as a GLLEP pipeline proposal in late 2019 by Lincoln Science and Innovation Park Ltd. It was assessed as a deliverable and highly strategic scheme.
- 2.2 In 2016/17 the GLLEP funded a feasibility project for this site and this project has been heavily informed by the findings of that study. Key technical issues identified by that piece of work include;
- Previous heavy industrial use of the site have left a legacy of incomplete demolition including subsurface features and hot spots of heavy contamination;
 - Location on a flood plain requires significant hydrological engineering;
 - Deficiencies in utilities provision to South East Lincoln require significant upgrades, including a new HV substation.
- 2.3 Trying to undertake the necessary enabling works as part of a typical commercial property transaction would simply make any development on the Science Park unviable in the current Lincoln property market.
- 2.4 A submission to deliver the LSIP Phase 2 of the project was therefore submitted to the government as part of a Getting Building Fund bid made by the Greater Lincolnshire LEP and a provisional allocation of £3,464,738 was approved by the Secretary of State towards the scheme which includes a contribution towards project management fees.

3. THE PROJECT

- 3.1 Following successful delivery of LSIP Phase 1 and based on the GLLEP funded feasibility study for Phase 2, the project consists of two elements:
- Enabling works on Phase II to realise full viable exploitation of the site
 - Provision of an R&D anchor development on the Phase II site, the Defence Technologies ISTAR Research Institute focussed on intelligence, surveillance, reconnaissance, digital communications and cyber technologies.

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- 3.2 The enabling works for the 6-acre Phase II site sit alongside LSIP Phase I off Beever Street, Lincoln. They are focused on critical services, groundworks and remediation works that are required to make the site development ready. In some instances, these are expenses that can only be incurred on a 'whole site' rather than 'plot by plot' basis and in all instances there are significant savings in money and time to undertake them together. This project is split into three Work Packages to prioritise the most essential works and to allow development of the site to be accelerated:

Work Package One: Utilities, Demolition, Surveys and Remediation

- (a) Installation of site specific HV Substation
- (b) Utilities Diversions
- (c) Demolition/Site Clearance
- (d) Further Geo-Environmental Sampling
- (e) Remediation
- (f) Utilities Ducting and Groundworks

Work Package One: Utilities, Demolition, Surveys and Remediation

Construction of surface water handling infrastructure including balancing pools, underground storage, flood defences and associated culverts, sewer works etc.

Work Package Three: Hard Landscaping and Highways

- Hard Landscaping (internal Road and associated Infrastructure such as lighting)
- Anticipated Highways works to access the site
- Shared car parking
- Public transport Infrastructure (bus stops/cycle stations etc).

- 3.3 Effective Science Parks succeed because of the co-location of public research facilities and private enterprise and the opportunities for cross-fertilization, knowledge transfer and the amplifying effect of clustering. The second element of the scheme, the Defence Technologies ISTAR Research Institute, would create such a facility at the heart of LSIP's Phase 2 site.

- 3.4 The MOD decision to locate the Intelligence, Surveillance, Target Acquisition and Reconnaissance (ISTAR) Force HQ at RAF Waddington has complemented the existing Joint Service Signals activities at RAF

Digby creating a rich environment of technology needs. This has seen a deepening of technology and engineering firms present in the Lincoln area. The specific technology needs of the ISTAR Force are cutting edge and constantly changing. They rely on a dynamic supply chain with a highly-skilled pool of employees and expertise in computer science, artificial intelligence, robotics and engineering. This project proposes to create a Defence Technologies ISTAR Research Institute on Lincoln Science and Innovation Park utilising existing University of Lincoln skills and knowledge in the Schools of Engineering and Computer Science to improve knowledge exchange and innovation performance in this key sector.

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- 3.5 The project will create significant innovation infrastructure in Lincolnshire leading to productivity gains on the site and beyond resulting in job creation, particularly in higher skilled areas and in key GLLEP sectors.
- 3.6 The overall vision for LSIP was to stimulate innovation, high-level technical employment and investment by clustering research-intensive firms around high quality scientific research and teaching facilities. The University schools based in the Joseph Banks Laboratories have gone from strength to strength and after two-years of operation, 89% of the tenants of Boole Technology Centre have taken advantage of their co-location with the University of Lincoln and engaged with it.
- 3.4 The Science Park itself has now raised approximately £25m, which has been invested into the Phase I site from a range of public and private sources, including circa £3.5m from the Greater Lincolnshire LEP. Of the two principal developments, Joseph Banks Laboratories is now operating at full capacity and the Boole Technology Centre reached 91% occupancy within 24 months of opening.
- 3.4 LSIP Phase 2 will target Medium and Large firms by releasing 6 acres of brownfield land for development including grow on space for firms that have established themselves in Lincolnshire, and design and build opportunities for firms looking to establish a major presence in Lincoln. The new R&D facility will help bridge the gap between academia and industry focussed on the technology needs one of Greater Lincolnshire's key strategic technology assets, the NATO ISTAR HQ at RAF Waddington.
- 3.5 The following visual demonstrates how the R&D building would look once completed. It is actually two completely separate buildings that just have a common party wall. The half of the building closest to Beevor Street would be the ISTAR building (the right half of the building). The other building which will be wholly separate will accommodate multi-occupancy SME grow-on-space, largely but not exclusively for expanding Boole Technology Centre. The aerial shot shows where on the wider science park the building would be located.



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4. FUNDING

4.1 The LSIP Phase 2 project requires £6,895,000 to be fully delivered with a Getting Building Fund allocation of £3,447,500 contributing to the enabling works and construction costs, and £17,324 being retained by the LEP from the provisional scheme allocation towards GL LEP fees leaving a net grant contribution of £3,430,090 (LSIP Ltd will be required to also contribute a further 0.5% towards due diligence, legal and management fees).

4.2 LEP funding would contribute towards:

- Technical Design Work
- Additional surveys as required by the programme of works
- Demolition of remaining ground slabs, foundations, sub-structures and removal of tanks and utilities ducting
- Ground remediation including soil cleaning and removal, groundwater treatment and biological remediation as required by the remediation strategy
- Ground water management comprising balancing pools, swales and underwater storage
- Utilities provision including diversion of existing services
- Alterations to local roads to accommodate new site entrances and section 106 requirements
- Hard and soft landscaping on the site
- Structures, lighting and accessibility requirements
- Fees - Project Management, architectural and engineering services.
- Building Design (architecture/engineering)
- Building Construction
- Building Fit Out

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- 4.3 Match funding of £3,447,500 has been secured for the project. The LSIP Steering Group has agreed the following package for this project, which has been approved in principal by LSIP's shareholders. Board consents from shareholders are still required but are expected to be received over the course of October/November 2020.
- 4.4 Shareholder funds are being provided by LSIP's shareholders pro-rata to their shareholding. The Lincolnshire Co-op loan is likely to be provided on the basis of an interest only facility bearing interest at 5% per annum

5. OUTPUTS

- 5.1 Due diligence has identified that the overall the package of outputs delivered by the scheme is considered to provide reasonable to poor value for money, however the significant wider benefits that the project is designed to support justifies investment in this project. Outputs which would be achieved as a result of the Getting Building Fund Investment are:

Forecast Outputs							
Output Profile							
	2019/20	2020/21	2021/22	2022/23	2023/24	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Private Sector Investment Leveraged (£) (ENABLING)		£1,847,500					£1,847,500
Private Sector Investment Leveraged (£) (ISTAR R&D)		£1.6m					£1.6m
Number of new Jobs Created (gross) (ISTAR R&D)			5	10	15	20	50
ii) Local Strategic Outputs							
Commercial floorspace refurbished/constructed and occupied (sqm) (ISTAR R&D)		929					929
Number of businesses assisted to improve performance (ISTAR R&D)		10	20	30	10		70
Number of learners supported (ISTAR R&D)			25	50	50		125
iii) Others							
Area of land experiencing a reduction in flooding likelihood (ENABLING)		2.43Ha					2.43Ha
Utilities installed (ENABLING)		HV Substation					HV Substation
Area of site reclaimed, (re)developed or		2.43Ha					2.43Ha

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assembled (ENABLING)							
Follow on investment at site (ENABLING)						£15m	£15m

6. PROJECT MILESTONES

6.1

The following milestones would apply to delivery of the scheme:

Enabling Works	
Milestone	Forecast Date
Community and stakeholder engagement	31 December 2020
Utility company engagement	Complete
Detailed design completed	20 November 2020
Cost plan produced	20 November 2020
Planning Application submitted	30 November 2020
Match funding secured	23 January 2021
Planning permission secured	23 January 2021
Procurement process issued	5 March 2021
Procurement contracts awarded	3 June 2021
Works commence onsite	June 2021
Works completed	28 January 2022

I-Star Research Centre	
Milestone	Forecast Date
Match funding secured	30 November 2020
Planning permission secured	Complete
Procurement process issued	7 January 2021
Procurement contracts awarded	01 May 2021
Works commence onsite	01 July 2021
Works completed	28 February 2022

7. DEMAND AND NEED

7.1 The relationship between innovation and per capita economic growth is well established, however, Greater Lincolnshire performs poorly across a range of innovation indicators and this has a dampening effect on GVA. To address this issue a number of interventions are required, to which the Science Park, through these projects, can contribute. In short these are:

- Creation of R&D Specific infrastructure including both buildings and equipment;
- A hub of knowledge and skills comprising academics, industrial researchers and entrepreneurs;
- A cluster of R&D active businesses in key supply chains at the centre of a network of firms across the GLLEP area and beyond;
- A critical mass of highly-skilled job and career opportunities and a regular supply of students and new graduates.

7.2 For the science park to be successful three key things need to be addressed. Firstly, grow-on-space for expanding firms leaving facilities like Boole Technology Centre and Think Tank. Secondly provision of single occupancy space for expanding, larger SMEs and inward investors and the supply chains

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they represent. Finally, creation of industry-led research institutes focussed on key sectors in the GLLEP area that can effect much closer knowledge transfer relationships between the University, SMEs and top tier supply chain operators.

- 7.3 Proximity allows firms to establish business and knowledge networks within a given sector, or between businesses and a given sector.' Given the unique assets that are RAF Waddington and RAF Digby and their interrelationship with advanced manufacturing, engineering and digital technologies, the Defence Technologies ISTAR Research institute presents itself as an ideal anchor for initial occupation of Phase 2 and to drive future design and build opportunities.

8. RISK ANALYSIS & DELIVERABILITY

- 8.1 The main risks associated with this project can be summarised as follows:

Risk	Owner	Probability	Impact	Mitigation
Delays due to ground conditions/surveys	LSIP	Medium	Medium	LSIP has undertaken feasibility work that has identified ground condition issues and budget to overcome this has been allowed into the project.
Delay in planning permission	LSIP	Low	Medium	LSIP has approved outline consent for the development, is identified as a priority project by the planning authority and works closely with the Planning Officers on early consultation to ensure quick decision making.
Build Programme Delays	LSIP	Low	Medium	This is unlikely as there are multiple plots that could accommodate the Research Institute and the most easily accessible will be used.
Lack of engagement from technology firms	LSIP	Low	High	A strong pipeline of digital and tech businesses has been developed over the

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				last 5-years.
Slow take up of commercial space	LSIP/ University	Medium	Medium	Early years losses have been built into the model and the experience of the Boole Centre suggests that there is already a sufficient cluster to begin development.

9. COMMENTS FROM THE ACCOUNTABLE BODY

- 9.1 The LSIP has a good track record having successfully delivering the Boole Technology Centre. The project team involved on that scheme were generally cautious on their spend position and output / occupancy estimates and regularly met their quarterly profiles. This phase of the wider scheme has been high on the pipeline for some time given the strategic nature of the scheme and its potential wider impact. We note the financial risk level detailed in the report and the project conditions identified.

10. CONDITIONS OF GRANT

- 10.1 The due diligence assessment has identified the following conditions to be satisfied as part of any Getting Building Fund approval:

Pre-Contract Variation

- Written confirmation that all match funding has been secured and is in place
- Confirmation that new or varied planning permissions are not required for the scheme. In the event that fresh planning permissions are required, confirmation of timescales for securing these and that this will not prevent delivery of the scheme in terms of drawing down GBF expenditure prior to 31st March 2022
- The clarification of the pre-engagement tender matters to be clarified in the event that RG Carter are appointed following completion of the formal procurement process

Post Contracting

- Provision of a final and detailed programme for delivery of both aspects of the scheme and draw down of GBF, once a contractor has been appointed

Post Monitoring

- LSIP provide when requested by GL LEP an updated cashflow confirming the financial position of the scheme and level of actual deficit incurred on the scheme to enable GL LEP to assess whether any clawback is due in context with the award of GBF made.

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11. RECOMMENDATION

It is recommended that GL LEP Getting Building Fund grant totalling £3,447,414 (which includes £17,324 of GLLEP Fees) be approved by the GL LEP Board towards the scheme subject to the conditions detailed above, and that it proceeds to contracting stage to enable a contract variation for the overall scheme.

- LSIP Ltd is to provide a further contribution of 17,324 (0.5%) programme management fees to the project.
- That the newly formed Defence Board has strategic oversight and input into the Defence Innovation Centre.

Paper 10 Growth Deal Quarter 2 Interim Update – Summary Position

Publication	Verbal Update (with additional paper)					
Meeting date:	11th November 2020					
Agenda Item:	10					
Item Subject:	GROWTH DEAL QUARTER 2 INTERIM UPDATE – SUMMARY POSITION					
Author:	Linsay Hill Pritchard					
For:	Discussion	Yes	Decision		Information	Yes

1. SUMMARY

- 1.1 The Investment Board is asked to note the Interim progress made in delivery of the Growth Deal Programme and the impacts of project slippage and re-profiling following submission of the quarter 2 claims.

2. BACKGROUND

- 2.1 This paper shows forecast targets for 2020/21 based on Q2 claims and correspondence with grant recipients; it provides an initial review prior to claim assessment completion and we are still discussing with grant recipients some of the detail behind certain slippages and proposed mitigations to bring forecasts back on target. Actual figures for Quarter 2 of 2020/21 will be formally reported to government via the dashboard on 20th November 2020.

3. QUARTER 2 SUBMISSION PROGRESS

- 3.1 Quarter 2 claims are at the late stages of assessment and a full report will be tabled for the next bespoke Investment Board (IB) scheduled on 27th November, however we wanted to give the IB some high level information on the current status of the programme.
- 3.2 The committee will note from the paper presented at the 5th August Investment Board that we discussed the remaining spend (£34million of grant) left to pay out to contracted projects. This was to be funded by the last tranche of SLGF from government (£18million) and with previous freedom and flexibilities and repaid monies. The position then identified 5% of our total programme grant will be spent post March 21 and it was agreed that this would be covered by Offset. The table below shows the position agreed in August:

Growth Deal Programme Position	SLGF Left to release	20/21	21/22
SLGF 20/21 Allocation (fully received)	£18.15	£18.15	-
SLGF OFFSET	£10.36	£3.15	£7.21
SLGF Reserve (from paid back monies)	£3.65	£3.65	-
SLGF In Year (20/21 Paid back/contract Variations)	£2.27	£2.27	-
TOTAL	£34.43*	£27.23	£7.21

*Figures report slightly differently to previous table due to minor error identified.

- 3.3 4 projects were identified with SLGF spend post 21 to be covered by offset:
- The Bridge - £1.782million
 - Grantham Southern Relief Road - £4.2million
 - Sleaford Growth Phase 2 - £900K
 - Unlocking Rural Housing - £380K

Paper 10 Growth Deal Quarter 2 Interim Update – Summary Position

- 3.4 Following the claim submission and updated project profiles the programme level has changed.

Growth Deal Programme Position Q2	SLGF Left to release	20/21	21/22	22/23
SLGF 20/21 Allocation (fully received)	£18.15	£18.15	-	-
SLGF OFFSET	£10.36	£2.46	£7.24	£0.65
SLGF Reserve (from paid back monies)	£3.65	£3.65		
SLGF In Year (20/21 Paid back/contract Variations)	£2.27	£2.27	-	-
TOTAL	£34.43	£26.54	£7.24	£0.65

- 3.5 Analysis of changes - The table above still shows that the programme will spend the SLGF yearly allocation of £18million and the repaid monies of £5.9million however 4 projects have identified some movement on the SLGF spend which will impact on the Offset used in each year.

Changes in yearly distribution of SLGF	20/21	21/22	22/23
Unlocking Rural Housing	£ 0.150	-£ 0.150	£ -
Advanced Engineering R and D Centre - (The Bridge)	-£ 0.013	-£ 0.640	£ 0.653
Grantham Southern Relief Road	-£ 0.794	£ 0.794	£ -
Sleaford growth Phase 2	-£ 0.032	£ 0.032	£ -
Total changes	-£ 0.689	£ 0.036	£ 0.653

- 3.6 The biggest adjustments occur with 2 projects:

Grantham Southern Relief Road

Phase 1 works are complete and Phase 2 works will be completed in August 21. The shift in spend profile relates to Phase 3 works which are not scheduled to commence until Spring 21. Negotiations are still on-going with the contractor for this phase to formally agree the target cost. This is expected to be completed in December 20 however the project manager has updated the spend profile to take account of the expected programme of works.

Given that this is the largest and most complex phase to deliver it is not unexpected that costs are adjusting. Enabling works including vegetation clearance, ecological works, archaeological works, fencing, topsoil strip, etc. will continue onsite leading up to main construction works.

The IB had agreed to release up to 85% of the grant by March 21 which is still possible, but this took account of the previous profile and we felt it important to raise this now should the IB wish to take a more cautious approach given the project slippage.

Advanced Engineering R and D Centre - (The Bridge)

At the time of our previous meeting it was hoped that 2 large pieces of equipment; (Transmission Electron Microscope (TEM) and Scanning Electron Microscope (SEM), could be purchased and installed by March 22. They have since taken further advice from the supplier who has advised the importance of coordinating the installation of both of these pieces of kit once the building is fully complete due to risk of damage and sensitivity to dust.

Paper 10 Growth Deal Quarter 2 Interim Update – Summary Position

The project has therefore profiled this expenditure into the first quarter of 22/23 and this aligns with the ERDF contact (which is yet to be released from the ERDF team).

- 3.7 Although many of the projects are still profiling to complete by March 21 there was considerable slippage on costs on the forecasts for the Q2 claims. Positively, three projects submitted claims higher than forecast including Northern Junction, Sleaford Growth Phase 2 and Borderville, and 7 other projects showed slippage of less than 25%.
- 3.8 Slippage in quarter 2 resulted in a grant release underspend of £3million. As identified above we know that a further £690K of grant overall has moved post March 21. This leaves £2.3Million that has been moved to Q3 and Q4 of the 20/21 financial year.
- 3.9 Several of the projects have highlighted that it is taking longer to sign off works on site and receive invoices and this does account for the high level of variance. There are also identified delays in receiving supplies as an impact of COVID-19.
- 3.10 A full report on a project level will be presented to the committee on the 27th November following further discussions with projects. This will include a full risk assessment and summary of activity on each project.
- 3.11 The Accountable Body and LEP will also formally write to grant recipients demonstrating slippage higher than 25% requesting detail on their mitigation proposals to ensure that the programme can be rebalanced and remain on track against agreed milestones for the last two quarters.