



LEP INVESTMENT BOARD

26th February 2021

Via MS Teams

Draft Minutes

Present:

Board Directors: Pat Doody - Chair, Cllr Philip Jackson (NELC), Cllr C Davie (LCC)
Dean Fathers (Health), Darren Cunningham (Phillips 66), Nick Worboys
(Longhurst)

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

Observers: Pete Holmes (BEIS), Andrew Crookham (Accountable Body & S151 Officer)

Apologies: Cllr Rob Waltham (NLC)

Welcome by the Chair

Apologies and Declarations of Interest

Declarations of Interest

Cllr Colin Davie - Horncastle Public Sector Hub (regarding LCC's current ownership and sale of land to enable the project) -

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/about/boards/lep-board/> and then clicking on individual profiles

Minutes from Previous Meeting (Paper 1)

The minutes from the Investment Committee held on 19th January 2021 were accepted as a true record.

Matters Arising

- Two new members of the Investment Board joined the meeting - Darren Cunningham & Nick Worboys.
- Three review meeting have been held with Able UK to discuss the Killingholme Marshes Drainage Scheme (KMDS) and progress made with the project following on from these will be discussed later in the meeting.

Action:

HD to carry out an induction meeting for Nick Worboys and Darren Cunningham now that they have officially joined the Investment Board.

Growth Deal Update, Annual Performance Review Update and Getting Building fund (GBF) Update (Paper 2 - Halina Davies)

- On the Getting Building Fund , there are six schemes that are in final stages of contracting and the variation to contract agreement for the Centre for Innovation in Rural Health is now also completed
- The LEP has received a signed agreement for Lincoln Science and Innovation Park Phase 2 and is expecting the GC Energy Centre contract to be signed imminently having completed negotiations.
- The grant amount for these 7 schemes being contracted comes to £16,442,148 with overall contract amounts totalling £23,238,995.
- Two more Skills Capital Fund schemes and the KMDS scheme were being reviewed at this meeting and if approved, would move to contracting stage. These 3 schemes equate to £6.8m, with the overall contract amount being £19.8m.
- The final scheme in the Getting Building Fund programme will begin due diligence in early March and a decision will be made at a bespoke Investment Board (yet to be arranged) regarding progression to contracting. This scheme with the TEC Partnership has a provisional grant

allocation of £1.4m and a contract total of £2.2m.

- GBF grant is forecast to achieve £4m in Q4, but the target of £12.9m needs to be achieved, so freedoms and flexibilities will be used by the accountable body to enable this and will include increasing intervention rates against eligible spend, identifying and utilising capital offset and advanced payments.
- On Single Local Growth Fund Programme, detailed information is provided in Paper 2.
- Two schemes have informed the LEP that they would have minor delays - Skegness Gateway and Huttoft Visitor Centre.
- Now that GSRR has signed its Phase 3 contract up to 85% of grant can be released, reducing the offset figure to £8.79m.
- Annual Performance Review - there was a positive discussion, ie, the LEP is in a good position regarding governance, strategy and delivery where all elements have been met. In terms of process, the next stage will be moderation of all LEPs and this will take place during March. The outcome letters will be issued soon afterwards with confirmation of the second year's allocation of the Getting Building Fund being provided during April and payments to LEPs made during May.

Action:

- The Board asked what happens if there is a slight underspend on SLGF. It was clarified that discussions would take place with BEIS and the LEP once the total underspend or overspend on the programme is known. BEIS will check centrally if there is a planned decision across all LEPs in this regard.

Decisions:

- ❖ Bespoke Investment Board to be arranged in late March 2021.

Construction Centre Extension, Stamford College (Paper 3 - Halina Davies)

- Overall project costs are £2.68m and the college was asking for a grant allocation of £2.13m.
- The scheme is considered to provide excellent value for money.
- The scheme will begin construction of the extension in April and will complete in October 2021, starting core activity in November.
- There is a risk that costs could increase slightly, but the college will be asked to confirm as a pre-contract condition that it would underwrite any additional costs.
- College is expected to provide an updated State Aid/UK subsidy report.

Action

- The Board asked should projects in future programmes also consider the impact on GVA and consider making it core output criteria. Officer response was that a good body of evidence has been built up over the years on GVA; LEP Officers will look into how GVA could be consistently measured and benchmarked. Will need to consider this in the context of LEPs generally, what measurements are already being carried out to ensure that outcomes are being achieved, locally and nationally. Officers to bring back a piece of work to consider how this might be implemented in future programmes.

Decision:

- ❖ Board was supportive and approved the project to contracting stage with an allocation of £2.13m.
- ❖ Condition of Contract - That the Recipient commits to exploring wider aspects of construction skills development as the curriculum evolves and monitors to what extent resulting jobs are captured within Greater Lincolnshire, working closely with local employers to understand skills requirements.

Killingholme Marshes Drainage Scheme (Paper 5 - Halina Davies)

- This scheme will deliver extensive surface drainage across a large area of the South Humber

Bank, replacing existing temporary arrangements. It will be managed, on behalf of the Landowner Able Humber Ports Ltd (AHPL), by its UK Asset Manager, Able UK Limited (AUKL) who are lead applicants for the project. Once completed, the Killingholme Pumping Station (part of the KMDS scheme) would be adopted by North East Lindsey Drainage Board with a commuted sum of circa £1m and they would be responsible for the on-going maintenance.

- The project itself is worth £9.2m in total of which the Getting Building Fund contribution is £4.3m.
- Site works will start on 5th April and the applicant has been proceeding at risk to ensure that there are no delays to the scheme, which should be completed by January 2022.
- The third party land has now been legally secured and the LEP has received all the necessary legal documentation as evidence.
- A copy of the legally executed agreement with Network Rail and a copy of the legal agreement with the Environment Agency and are expected to be received next week.
- The applicant still needs to provide written confirmation that all match funding is in place as expected.
- The State Aid report will need to be updated to reflect new UK subsidy rules.

Comments:

- Accountable Body content with the work carried out so far and has no concerns.
- Scheme protects existing land from flood risk with a significant number of jobs safeguarded and the logistics park has plans to grow in areas other than in wind turbines.
- Impact on other businesses will be huge and the drainage will also protect the Enterprise Zone
- Just as important to North East Lincolnshire as it is to North Lincolnshire as the larger populations are near to this site.

Decision:

- ❖ Board was supportive and approved to proceed to contracting stage, subject to the outstanding conditions being met as above

CLlr Colin Davie left the meeting

Horncastle Hub - Boston College (Paper 4 - Halina Davies)

- ❖ The LEP's investment will form one part of the delivery of a larger integrated public sector hub development on the site that will construct 2,275m² of new multi-user floor space in total. East Lindsey District Council was not able to apply directly, as programme only open to colleges and training providers.
- ❖ The College has agreed with East Lindsey District Council to operate the new learning space under a 25-year lease, with five year break clauses.
- ❖ The LEP funding would be specifically targeted towards the provision of a dedicated Further Education College suite as part of the overall programme.
- ❖ The overall project needs £7.9m capital to be fully delivered and the Getting Building Fund allocation is £1.23m.
- ❖ The project would start on site in March and would be completed by March 2022.
- ❖ The due diligence report shows that the project outputs are good value for money.
- ❖ The main risks involved in this scheme relate to the lease agreement between ELDC and Boston College. Although unlikely, Boston College can have the option to pull out of the 25 year lease every 5 years, and this would mean that the training provision for the area would cease at that point unless replaced by another provider. Core outputs would however be met within the initial five year period. ELDC are unable to renege on the 25 year lease. Should Boston College only serve a 5 year term, ELDC would appear to have the right to use the building space for non-Training/skills purposes.
- ❖ Additional clauses/agreements could potentially be incorporated within the contract to protect the LEP's intended training and learning outcomes.

- ❖ Delivery timescales are tight, but achievable.

Comments:

- ❖ Scheme has positive benefits and will allow the diversity of the local communities to have Place-based local education where people do not have to travel, which is more sustainable.
- ❖ If Boston College do pull out after the 5 year lease, is there an alternative project that could be utilised instead?
- ❖ Believe that ELDC would want to keep any alternatives as education based.
- ❖ The LEP would ask the grant recipients to seek permission if they wished to change the purpose of the site and the recipients would also be eligible for claw back against non-delivery. Claw back should be increased to 10 years to ensure delivery of skills provision for an extended period.

Decision:

- ❖ Board was supportive and approved the project to contracting stage subject to conditions identified.
- ❖ An extension of 10 years to be made to the claw back clause within the funding agreement.
- ❖ Condition of contract - That a Strategic Curriculum Steering Group to include Lincolnshire County Council representation is established by the Recipient to review needs analysis and existing 16-19 provision.

Any Other Business

None

Next Investment Board Meeting

March 2021 - to be arranged

ACTION LOG

Area	Who
HD to carry out an induction meeting for Nick Worboys and Darren Cunningham now that they have officially joined the Investment Board.	HD
Query on underspend on SLGF at the end of the programme in March 2021	PH
Impact on GVA model to be explored with the Policy and Research Team	HD/JB
Approval of three schemes to contracting stage - Horncastle Skills Hub, Killingholme Pumping Station, and the Construction Centre extension at Stamford College.	HD