



LEP INVESTMENT BOARD

19th January 2021

Via MS Teams

Draft Minutes

Present:

Board Directors: Pat Doody - Chair, Cllr Philip Jackson (NELC), Dean Fathers (Health),

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

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

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

Welcome by the Chair

Apologies and Declarations of Interest

Declarations of Interest

Cllr Colin Davie - Lincolnshire IOT Holbeach Hub (Paper 4)

Cllr Rob Waltham - Killingholme Pumping Station

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/>

Minutes from Previous Meeting (Paper 1) -The minutes from the Investment Committee held on 27th November 2020 were accepted as a true record.

Matters Arising

- Chair stated that there is a need for further members of the Investment Board, particularly from the private sector.
Action: To garner interest from board members at next Board meeting and subsequently discuss at Appointments Committee
- Following the decision on which of the 3 proposed Skills Capital Fund projects to take forward at the last Investment Board, a formal complaint was received from Lincoln College. Under the GLLEP Complaints Policy, the Chief Executive reviewed, the Accountable Body then reviewed with the outcome being made known to the complainant. There were 4 main lines of enquiry and these areas were not upheld following an independent investigation. Should the complaint be escalated further, this will be dealt with by BEIS.
- Claims for Quarter 3 from SLGF are looking like they will be less than expected. Officers will provide an update on Q3 claim outcomes at the next investment board meeting.

Getting Building fund (GBF) Update and Annual Performance Review Requirements Report (Paper 2 - Halina Davies)

- Schemes that were confirmed with a provisional GBF allocation are identifying a total programme spend value of £36.5m of which £25.8m will be covered by GBF grant. Government's expectation is that £12.9m of the grant must be spent by 31 March 2021. Having carried out due diligence work on a number of schemes and assessed fully expected expenditure levels to March 2021, we have identified that the target of £12.9m will be difficult to meet without utilising freedoms and flexibilities and these are being considered in conjunction with the accountable body.
- GL LEP funding agreements are with applicants for three of the schemes and necessary changes to the Centre for Innovation in Rural Health agreement are now also completed.
- Three more due diligence reports were shared with the Investment Board for consideration to move to contracting stage later in the meeting.

Comments:

- ❖ Important that the all funding remains on track to spend by March 2022
- ❖ LEP has set itself a £17.3m contracting target by 31 March 2021.

Skills Capital GBF -The GC Energy Centre; Engineering and Construction - Grantham College (Paper 3 - Halina Davies)

- The refurbishment of the two existing areas of the College requiring modernisation and upgrading to achieve enhanced energy efficiency. The works would also include replacement of steel framed single glazed windows, the removal of asbestos, demolition and alteration activities.
- The GC Energy Centre: Engineering and Construction project requires £2,463,207 to be fully delivered of which capital expenditure would be £1,962,937. An overall Getting Building Fund allocation of £1,605,606 has been awarded with £8,028 being retained by the LEP towards GL LEP fees, leaving a net grant contribution of £1,597,578.
- Due diligence has identified that the overall package of outputs delivered by the scheme is considered to provide excellent value for money.
- Since circulation of the paper, a meeting has been held between the applicant and the main contractor appointed at risk, and the completion date for the scheme has now been brought forward by 6 weeks.
- Covid could have an impact on the number of new learners which could in turn impact on revenue levels to the scheme, so close monitoring will be required once the scheme is completed.
- Costs may prove higher than anticipated, but following the tender process, we would look to have these underwritten by the applicant.

Decision:

- Board was supportive and approved the project to contracting stage. The following contractual conditions were agreed:

Pre-Contracting

Applicant to confirm how the courses would be delivered should revenue generated by fees not reach required levels.

Applicant to confirm that any shortfall in funding for the refurbishment scheme will be met by the college.

Pre-Drawdown

An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme.

A copy of the report on tenders to be provided for the scheme, to provide a final contract sum, demonstrating that the scheme can be delivered as proposed within the due diligence.

General

Given that the curriculum will be delivered with revenue generated through fees via apprenticeships taking place at the College between 2021 and 2025 and that numbers may be down due to the Covid pandemic, provision should be delivered as a minimum over a ten year period in line with the clawback clause in the GLLEP funding agreement.

Skills Capital GBF -Lincolnshire Institute of Technology (Holbeach Hub) - UofL (Paper 4 - Halina Davies)

- GL LEP funding of last resort is being sought to contribute to the scheme due to the fact that costs have increased following discovery of unforeseen ground conditions along with the onset of the COVID pandemic.
- The project requires £2,569,714 of capital to be fully delivered with a Getting Building Fund allocation of £1,122,965 contributing to the construction works, and £5,615 being retained by the LEP from the provisional scheme allocation towards GL LEP fees leaving a net grant contribution of £1,117,350.

- With NCFM and centres at 6 partner FE colleges across Greater Lincolnshire, the IoT will specialise in supporting the skills needs of Lincolnshire's key sectors to include agri-technologies and food manufacturing, energy and engineering, with a unifying digital theme relevant to all sectors in this time of technological change and innovation.
- Following due diligence appraisal the scheme was considered to be good value for money.

Comments:

- Query as to whether it is an issue with topping up a Government project. No issue with supporting the DfE project, the University is lead partner for the project application.

Decision:

- Board was supportive and approved the project to contracting stage. The following contractual conditions were agreed:

Pre-Contracting

- Written confirmation from the University that they will be responsible for meeting any cost overruns so as to ensure the scheme can be delivered as proposed

Pre-Drawdown

- The University to confirm that full planning permission has been secured for the IoT Holbeach Hub
- An updated programme to be provided for the delivery of this scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme
- A copy of the report on tenders and lowest tender to be provided to GL LEP.

Skills Capital GBF -The Care CoRE (Centre of Regional Excellence for Care) -Boston College (Paper 5 - Halina Davies)

- An innovative, multi-functional training centre for the sector, focusing on improving digital skills at all levels to support the introduction of additional technology within the caring roles as well as developing practical care skills alongside reinforcing the sector's values and behaviours. It will provide an industry-led training suite based at the Rochford Campus.
- The project requires £736,500 of capital to be fully delivered with a Getting Building Fund allocation of £414,500. £2,073 is being retained by the LEP towards GL LEP fees leaving a net grant contribution of £412,427.
- The College has confirmed that all required match funding is in place and the GL LEP investment is therefore funding of last resort.
- Due diligence appraisal has deemed the project as excellent value for money.
- Contingency time and budget has been included in the project plan.

Comments:

- If the contingency does not get spent, what happens to that degree of funding, and the response was that final costs will be reviewed at the end of the scheme and we may decide to claim some of the grant back if they come below expected forecasts.
- Board members felt that the scheme could be further strengthened by direct engagement with the Health & Care Enterprise Board.
- Collaboration with Lincoln Care College and the Centre for Innovation in Rural Health was also considered to be a helpful networking route for the project.

Decision:

- Board was supportive and approved the project to contracting stage. The following contractual conditions were agreed:

Pre-Contracting

The College are to confirm that they will be responsible for meeting any additional/unforeseen costs associated with the delivery of the project, so as to enable the scheme to proceed as currently proposed.

Pre-Drawdown

An updated programme to be provided for the delivery of the scheme to demonstrate that it is deliverable within the programme set for the Skills Capital Investment Programme. This is also relevant given the current lockdown restrictions and whether the proposed programme is affected in this regard.

A copy of the report on tenders to be provided for the scheme, to provide a final cost for the scheme, demonstrating that it can be delivered as proposed within the due diligence report.

General

The applicants are to demonstrate how they will work with existing health and care providers in Lincolnshire, in particular the Centre for Innovation in Rural Health being established by the University of Lincoln.

A member of the GLLEP Health and Care Enterprise Board should be invited to work with Boston College and help advise on the delivery of this scheme. Dean Fathers as its Chair will raise the project on their agenda.

Killingholme Marshes Drainage scheme (Killingholme Pumping Station) GBF (Verbal Update - Halina Davies)

- The scheme has a provisional GBF allocation of £4.3m, and the project requires £9.28m to be fully delivered.
- The due diligence report is almost complete, however, there are milestone details still missing and evidence of required landownership is still awaited from the applicant.
- The project will deliver extensive surface drainage across a large area of the South Humber bank and will replace the current temporary arrangements.
- The project would be managed on behalf of the landowner, Able Humber Ports Ltd, by its UK Asset Manager, Able UK Ltd and they are the lead project applicant. Once completed, the pumping station would be adopted by North East Lindsey Drainage Board.
- The project would have a key impact on the economy alongside the development of Able Marine Energy Park and Humber Freeport aspirations.
- The scheme would safeguard 248 hectares of the Humber Renewable Enterprise Zone, the largest single Enterprise Zone in the UK.
- In terms of the BEIS Offshore Wind Manufacturing Investment Scheme, OWMIS, the applicants are waiting for a decision from Government, and if the bid proves successful it will enable the creation of the wider Marine Energy Park. BEIS has indicated that initial results will be conveyed in February and a successful port would receive an interim letter of support at that point.
- Able aim to commence work on site in April 2021 and complete by March 2022. The need for evidence confirming the transfer of a strip of land from ABP to AHPL for the project is crucial by 18th February.

Comments:

- This is a complicated scheme and has a large amount of funding allocated to it. The LEP needs to make sure that the funding is capable of being spent by March 2022 and need to decide what deadlines should be put in place so that this funding can be allocated elsewhere to achieve the spend should the project fail to meet necessary milestones.
- BEIS and the LEP felt the strategic importance of the scheme is recognised and that it should be discussed at the Annual Performance Review meeting with Government.

- With regard to the mitigation site and planning consent order relating to the wider AMEP scheme this has been ongoing issue since 2017. The mitigation site has already been successfully relocated by Able UK, but a formal agreement to this process is still required from the Secretary of State for Transport. The Humber Freeport submission requires this decision to be finalised. If BEIS can help move the process forward, it would be greatly appreciated.
- PH suggested there might be an exceptional case made to MHCLG as to why this project may take longer recognising its national strategic importance.

Action

- ❖ HD to write a paper for BEIS prior to APR meeting
- ❖ Meeting to be arranged between the Chair, RC, HD and Neil Etherington of Able to discuss

Any Other Business

None

Next Investment Board Meeting

26th February 2021

DRAFT