



LEP INVESTMENT BOARD

1st November 2019

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

Draft Minutes

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<p><u>Present:</u></p> <p><u>Board Directors:</u> Ursula Lidbetter - Chair (Lincs Co-op), Pat Doody (Nat West), Cllr Richard Hannigan (NLC), Cllr Colin Davie (LCC), Cllr Philip Jackson (NELC), Chris Baron (Butlins - by telephone)</p> <p><u>LEP Officers:</u> Halina Davies, Linsay HillPritchard, Sue Groves (Note Taker)</p> <p><u>Apologies:</u> Chris Baron (Butlins)</p>		
<p><u>Welcome by the Chair</u></p> <p><u>Apologies and Declarations of Interest</u></p> <p>Formal apologies were received from the following: Cllr Rob Waltham (NLC)</p> <p>Declarations of Interest:</p>		
Ursula Lidbetter	LSIP Phase 2 Lincoln Vibrant City	LSIP Board Director Lincolnshire COOP Investing in Cornhill area of Lincoln
Cllr Philip Jackson	Linking Cycle Routes - Hobson Way Immingham	NELC are applicants
Cllr Richard Hannigan	Keadby Pumping Station Assisted Outfall Project Brigg Link Road	NLC are applicants for both projects
<p>Full declarations of interest can be found at https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/</p> <p>The board were reminded that declarations of interest are required as part of LEP governance and must be submitted at least annually, and if anything changes to notify the LEP office at the earliest convenience.</p>		
<p><u>GLLEP Pipeline Projects Category A</u></p> <p>Board Directors were asked to review and endorse Officer recommendations for the first phase of a revised pipeline of schemes across Greater Lincolnshire. Recommendations were being made on:</p> <ul style="list-style-type: none">• Reserve project/s• Review of updates received on existing pipeline schemes• Newly submitted outline applications in the recent pipeline call for projects <p>At the last Investment Board, options were discussed to bring forward projects at risk should anything fall out in the last 18 months of the programme and it was agreed that the LEP team would look at options in the following areas:</p>		

- Extension to existing programmes or contracts
- Revisiting the existing pipeline and recommending which schemes to invite to application, due diligence stage and pre-approval
- Assessing the latest pipeline submissions that could deliver by March 2021 and inviting to application, due diligence and pre-approval.

Having projects ready to be included in a bid when new funds are announced or to respond if existing schemes allocations need suddenly require replacing will be of great importance going forward.

All projects considered at this meeting were considered as being under Category A (deliverability by March 2021). They had been assessed with regard to strategic fit, economic case, deliverability and impact, taking particular notice of risk levels and potential impact on productivity. The assessment considered both qualitative and quantitative evidence and schemes were assessed as per the Local Assurance Framework.

Board Directors stated that having read some of the projects, that some of them would fit well with the Stronger Towns Fund, it was agreed that this would be looked into. They also suggested that bringing together the various town/city centres across Greater Lincolnshire interested competing for the emerging Towns Fund might help strengthen individual bid submissions and demonstrate cohesive thinking on regeneration of our town centres. For example, with regard to City of Lincoln Council's bid on Lincoln Vibrant City Centre, could their broader research/evidence could be shared with ELDC to help support Mablethorpe and Skegness.

The board agreed that the following schemes should now be invited to provide a Full Business Case:

Centre for Rural Health

The Centre for Innovation in Rural Health will create a 695m² new integrated facility to provide a focal point for research, training and community engagement, devising and providing solutions to the challenges of delivering health care and improving population health in rural settings. This will be located on the third floor of the new Medical School.

Regarding outputs, it must be ensured that double counting is not taking place with the existing Medical School project already being supported by the LEP. The number of businesses assisted to improve performance (55) was also queried, we would require a greater understanding of how this output is going to be measured/monitored. The board queried why there was no job creation output identified in the Outline Business Case.

Greater clarity is needed on the funding package and what GL LEP funding would specifically be used to provide. The Board would also like to understand how the scheme would enable wider North and NE Lincolnshire engagement. Reassurance on availability of revenue funding to enable delivery of the scheme once the capital scheme is completed is also essential.

LSIP Phase II

This project will develop infrastructure to enable the commercial development of 6 acres of brownfield land and 12,000m² of new R&D focused facilities able to house more than 700

high skilled employees. This is a modular programme of projects designed to give flexibility to funding partners to allow them to move forward the overall Science Park scheme as funds become available, therefore, priorities and contingencies were discussed for each work package and aspect of the project.

The board was keen to understand when match funding will be fully secured, though it was acknowledged that sources are identified. Though there are still some key milestones to achieve early in 2020, it was noted that phase 1 was delivered on time and that this was a very strong bid.

Lagoon and Ring Main Infrastructure

The project is to design and build a sustainable wastewater treatment plant occupying a site on land in Holbeach. Wastewater is to be taken from the vegetable processing companies operating on the premises and passed through the water treatment process to recycle clean water for factory use. This lagoon-based treatment plant will also produce an effluent that can be reused as irrigation supply for the local farmland, thus turning a waste product into a nutrient rich resource.

The board was interested in finding out more on this private sector led bid. Comments for consideration in the full business case were:

- ❖ Number of new jobs created (150) queried
- ❖ Are the companies on the site independent or subsidiaries of the landowner
- ❖ Much more information is required on the need and demand
- ❖ Greater understanding required of the innovation involved for this process
- ❖ More clarity is needed on costings and outputs
- ❖ Costs have been confirmed as being high level and at initial feasibility stage
- ❖ Level of grant requested would not meet De Minimis state aid requirements, but could potentially consider partial grant and partial loan or look at other exemptions
- ❖ More detail needed on the ring main infrastructure element of the scheme

AB Potato Grading and Cold Stores

This 10731m², 15,000 tonnes capacity potato cold store building, once in operation, is critical to the ongoing sustainability of the company packing site and the future proofing of an important agri-food sector in the region. The successful implementation of cold storage will allow confidence for the company to pursue phase 2 of the project which will create a further 54 full time jobs. The project aims to deliver long term cold storage from harvest (typically mid-August to late November) right through to the end of July in the following year.

Comments:

- ❖ Utility engagement was held in September; check how this is being progressed.
- ❖ Project might fit better with EAFRD, if further calls released
- ❖ Query on the number of new jobs for such a large investment
- ❖ More information on Phase 2 required.
- ❖ Would like more evidence on local storage options and why not available
- ❖ Is automation being considered
- ❖ State aid needs to be considered further as seeking 40% of funding, could potentially look at a partial loan

Linking Cycle Routes - Hobson Way, Immingham

This project will introduce a new 0.8km segregated pedestrian and cycle route between the South Humber Bank link road (currently under construction) and South Marsh Lane (with links to the SHIP site at Stallingborough).

The construction of the Hobson Way cycle/footway link 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 opportunities along the South Humber Bank.

The board queried why this route had not been included in the original SHIP bid, but felt that providing there could be a stronger demonstration of demand and need that it could potentially be a low risk deliverable scheme by March 2021.

Feasibility Studies

The board felt that three of the projects discussed were in need of feasibility funding support in order to progress effectively. These were as follows:

Lincoln Vibrant City Centre Phase 1

The Lincoln City Centre Vibrancy Programme is an opportunity to review and accelerate key intervention sites, in the context of changing trends in retail/consumer demands and Business and Housing needs which will protect the fabric of this nationally important historic City and accelerate the growth potential over the next 5 years capitalising on recent and planned City Centre investment and infrastructure network improvements.

Cornhill Square: concept designs have been completed and more detailed designs have been commissioned by the City Council for a high quality public realm scheme, event space and potential water feature. Project costs are also being pulled together as the design process develops. This can be delivered as a Category A scheme, by 2021, subject to funding.

Comments:

- ❖ What are the demands for market space
- ❖ Need to explain in more detail SME demand
- ❖ Perhaps a good fit for Stronger Towns Fund
- ❖ No planning or match funding in place and outputs not identified
- ❖ Also related to a Category B pipeline bid
- ❖ In need of feasibility work - needs more work before moving to delivery stage

PE21 Connecting People and Place Feasibility Study

The fundamental principle behind PE21 development is to open up and improve a 4-hectare under-utilised economic area to facilitate the rebalancing of an important relationship in both connectivity and economic terms between the east and west side of the river Haven in Boston.

The site has the opportunity to create much improved health, well-being and leisure facilities along with greater green, community space and residential offer supporting an '18-hour town centre economy' adding value to and not distracting away from the town centre.

The OBC states that a feasibility and market demand study needs to stress test and support the viability of the recently commissioned PE21 Masterplan Study.

Comments:

- ❖ Feasibility funding is more suitable at this stage
- ❖ Understanding more on the scale and position of the land ownership is needed and this is also related to a Category B pipeline bid.

Renewable Transport Fuel Network

To identify sites, new and existing, to be developed to produce renewable energy and transport fuel to reduce carbon emissions and provide a sustainable renewable fuel source for vehicle operators. The emerging English national strategy for waste management indicates strong policy support for diverting treatment of wastes into solutions that are optimised for renewable transport fuels. These could initially be used for the public sector vehicle fleet (waste collection, local authority fleet, local bus operations and home to school transport) but future expansion can be offered to private sector operators who use biomethane powered or dual fuel vehicles for transport of freight haulage once a countywide fuel supply network is established.

The LEP Grant would be spent on external consultancy support and internal specialist support to establish:

- Identification of potential feedstock quantities arising from the new Government legislative duties for separate food waste collections from homes and businesses effective from 2023.
- Selection of best AD technology for potential food waste feedstock quantities with option to include other biowastes (garden, verge cuttings, street sweepings, farm waste, agricultural) into the feedstock.
- Potential development site identification taking account of forecast housing growth, OPE principles, off take opportunities (electricity, heat, gas)
- Indicative cost models for each site location for development of AD facility and infrastructure to inform a strategic asset delivery plan.

Comments:

- ❖ This could potentially be eligible for the Feasibility Fund
- ❖ Not really a capital scheme at this stage
- ❖ Need more information and clarity on the project

Keadby Pumping Station & Assisted Outfall

Keadby Terminal Assisted Outfall is located on the River Trent in Keadby and discharges the Three Rivers and River Torne catchment gravity and pumped flood flows into the River Trent. Keadby TAO has been assessed to have a risk of failure during flood events, resulting in failure of the facility to operate. Failure of Keadby TAO would result in the increased risk of flooding over time to thousands of homes, businesses, major infrastructure and prime agricultural land across the area. This project will renew the Pumping station and sustain its ongoing reliable operation protecting homes and businesses across the IoA.

The works to Keadby pumping station will help to support the LEPs priorities for the area by ensuring future flood risk is managed and through avoiding the Do Nothing scenario.

This project is already regarded as a reserve pipeline scheme for the LEP. It was decided at the meeting that the scheme should be invited to come forward for due diligence appraisal as soon as possible.

Projects Requiring Further Development

The board regarded two of the schemes submitted under Category A as not being fully deliverable by March 2021. These schemes should be added to the GLLEP Pipeline and revisited once key milestones have progressed further. These schemes were:

Managed Workspace - Grantham & Bourne

The bringing forward of 'Grade A managed workspace' within the market towns of Grantham and Bourne in South Kesteven providing accessible and flexible serviced office space. Privately owned properties have been identified and outline architectural plans produced in order to assess the potential for incubation and business development facilities. A capital grant is required in order to deliver high quality workspace that will appeal to new businesses.

Comments:

- ❖ Not enough evidence on need and demand
- ❖ Timeframe for design and planning queried
- ❖ Concerns over state aid and level of direct benefit to the property owners
- ❖ Clarity need on leasing model and payback
- ❖ Risk analysis needs more work

Water Treatment Plant

Applicants propose to build a plant for the treatment of liquid waste sludge and effluents arising from the food and drink processors and manufacturers across Lincolnshire. The existing disposal routes for these waste materials are coming under increasing pressure, with a corresponding increase in risk of factories closing due to not having a viable outlet for their wastes. The proposed project would assist relieve this pressure and the risks of factories closing by creating new routes for the recycling and disposal of their liquid waste materials.

The project would involve acquisition of the site where the project activity will take place, the development of the project site, and the construction, commissioning and operation of the plant.

Comments:

- ❖ Would like to understand the current market they operate in, how will this project increase capacity to what size and how quickly
- ❖ Planning permission has not yet been secured
- ❖ The idea does have merit and given environmental challenges would be of benefit

CLlr Richard Hannigan left the meeting

Existing Pipeline schemes considered deliverable by March 2021

Brigg Link Road

The primary aim of the Brigg Link Road is to gain access to the five housing allocations in Brigg to the north and west of the town (Approximately 800 dwellings across sites BRIH-1, BRIH-2, BRIH-3, BRIH-4 and BRIH-5).

A Link Road from Wrawby Road, across Grammar School Road to Atherton Way through the land allocations is required as an integral part of the development. Furthermore it will provide an alternative east - west route through Brigg allowing for reduced and improved traffic flows in the town centre.

The category A project would buy delivery of part of the link road enabling housing developments. Additional phases would then be funded by the private sector.

Comments:

- ❖ Clarity needed on match funding gap
- ❖ Project submitted would only secure delivery of Phases 1 and 2 of the Brigg Link Road, what assurances are there regarding delivery of Phases 3 and 4? Is there a formal agreement in place
- ❖ a planning application needs to be submitted for all 4 phases with planning for Phases 1 and 2 not being submitted until April 2020
- ❖ Is there a timescale for submission of Phases 3 and 4 to complete the road and when the land required is likely to be legally purchased
- ❖ For state aid purposes clarification is needed on the landowner contributions to the project

The Board agreed to invite a full business case for review on this project.

Unlocking Rural Housing Programme Round 2 and Agri-Grants Programme

The board approved development at risk of these two existing pipeline programmes and more information regarding timescales and allocations required for taking forward these potential options will be provided at the 29 November Investment Board.

Next Investment Board Meeting

The Investment Board to be held on the 29th November in Gainsborough will be a very important meeting as there will be 9 to 11 projects being brought forward for key discussion and decisions. In order to ensure that the Board remains quorate board members were asked to ensure that they are able to attend for the full meeting.