



GLLEP INVESTMENT COMMITTEE

31st January 2020

Worldwide Fruit, Apple Way, Pinchbeck,
Spalding, Lincs, PE11 3BB

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
12.45	Buffet Lunch at Worldwide Fruit		
13.15	Factory Tour of Worldwide Fruit		
14:00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> Approval of Minutes 17th December 	Chair	Paper 1 attached
14:05	Growth Deal Update <ul style="list-style-type: none"> Overview Report 	Halina Davies, LEP	Paper 2 attached
14:20	<u>For Information & Decision</u> South Humber Industrial Investment Programme Phases 1 and 2 (contracted schemes) <ul style="list-style-type: none"> Progress Update Report with variations 	Halina Davies, LEP	Paper 3 attached
14:40	<u>For Decision</u> <u>Commercial in Confidence</u> Northern Junction Roundabout <ul style="list-style-type: none"> Milestone Progress Update Report 	Halina Davies, LEP	Paper 4 attached
15:00	<u>For Information and Decision</u> GLLEP Pipeline Category B Analysis and recommended overall Pipeline <ul style="list-style-type: none"> Summary Report Revised GLLEP Pipeline 	Halina Davies, LEP	Papers 5, and 5.1 attached
15:20	<u>For Decision</u> Centre for Rural Health <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report 	Halina Davies, LEP	Papers 6 and 6.1 attached
15:40	AOB and close of meeting	All Members	

Attendees: Pat Doody (Interim Chair), Cllr Philip Jackson, Cllr Rob Waltham, Chris Baron, Andrew Crookham (S151 Officer)

Apologies: Cllr Colin Davie

Observers: Pete Holmes (BEIS)

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

Parking Arrangements

Parking available at Worldwide Fruit

31st January 2019 GL LEP Investment Board - Conflict of Interest Table

Board Member	Project	Conflict
Cllr Rob Waltham	Northern Junction Roundabout - Paper 4	NLC are applicants
Cllr Phillip Jackson	South Humber Industrial Investment Programme Phase 1- Paper 3	NELC are applicants

LEP INVESTMENT COMMITTEE

17th December 2019

By Conference Telephone Call

Draft Minutes

Draft Minutes

<u>Present:</u>	
<u>Board Directors:</u>	Pat Doody - Chair (Nat West), Cllr Colin Davie (LCC), Chris Baron (Butlins - by telephone)
<u>Observer:</u>	Pete Holmes (BEIS)
<u>LEP Officers:</u>	Ruth Carver, Halina Davies, Linsay HillPritchard, Sue Groves (Note Taker)
<u>Apologies:</u>	Ursula Lidbetter, Cllr Rob Waltham and Cllr Phillip Jackson were not invited to attend this bespoke meeting due to conflict of interest on Paper 3.
<u>Welcome by the Chair</u>	
<u>Apologies and Declarations of Interest</u>	
Formal apologies were received from the following: None	
Declarations of Interest:	
No declarations of interest at this meeting.	
Full declarations of interest can be found at https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/	
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.	
<u>Approval of Minutes - 29th November 2019 (Paper 1)</u>	
Minutes were approved with one minor amendment.	
<u>Electronic Approval Note A46/A15 - Riseholme Roundabout (Paper 2)</u>	
Following the meeting on the 29 th November, which was not quorate for this item, full approval was received electronically on the 2 nd December and the scheme has now progressed to contracting.	
<u>GLLEP Category A Pipeline (Paper 3)</u>	
At the bespoke Investment Committee held on the 1 st November 2019, the GLLEP pipeline was discussed. The Board members had a number of queries regarding some of the projects which were addressed by the applicants and responses shared at this meeting.	
Following a full reconciliation of funds, there was £938,601 of unallocated Growth Deal available with a further £324,359 that could potentially be available after the 23 rd December, depending on the option choices for the Access to Employment Zones project.	
The Board noted the due diligence appraisal outcome for Keadby Pumping Station Outfall	

project. The scheme was considered alongside the other Category A pipeline projects for the £938,601 funding available.

Given the limited amount available, overall assessment results, output provision, deliverability and low risk, it was recommended that the Centre for Rural Health be chosen as the project that receives the existing unallocated funding. Further information on this project provided by UOL upon request included:

- The scheme sits within the Lincoln Medical School building - located on the third floor.
- Confirmed that the outputs supplied are separate from those of the Medical School
- Contributions - 100% revenue costs from the University.
- Project is scalable and can be carried out in phases.
- Layout plans are now available with classrooms/teaching rooms.
- Detailed cost breakdown received.
- Engagement with North Lincolnshire Council and North East Lincolnshire Council will take place, most likely via work based distance learning and internships, placements and employment.
- Current financial statement provided for review.
- Revenue funding has been secured and is in place
- Focus is on strategic and highly skilled jobs

Decision:

- ❖ The £938,601 of Growth Deal available was allocated to the Centre for Rural Health and should a further £324,359 be confirmed on the 23 December this would also be added to the amount available to the scheme.
- ❖ The Centre for Rural Health was deemed a highly strategic project and it was approved to progress to contracting stage subject to final due diligence recommendations pending UOL submission of a phased delivery plan (due diligence report to be shared in January via electronic approval).
- ❖ The Centre for Rural Health project will remain on the GLLEP Category A pipeline to be considered for any future funding that might become available for remaining phases.
- ❖ Engagement in rural areas should be a condition of the contract.

Made in Gainsborough Phase 2 (Paper 4)

The Committee members were asked to approve a £14,492 allocation from the GLLEP Invest & Growth Programme (interest received). A report provided details on Phase 1 Progress, project need and outcomes for review.

Decision:

- ❖ The Committee members approved the £14,492 contribution subject to written confirmation of the match funding.

Any Other Business

A meeting regarding the Northern Junction is to take place on Wednesday, 18th December with LEP, BEIS, Homes England and North Lincolnshire Council. Notes on the discussions and outcomes to be circulated to Committee members.

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GROWTH DEAL UPDATE REPORT

Publication	Public Paper (published)					
Meeting date:	31 January 2020					
Agenda Item:	2					
Item Subject:	Report to inform the Committee of Growth Deal Programme progress					
Author:	Halina Davies/Linsay Hill Pritchard					
For:	Discussion	Yes	Decision		Information	Yes

1. SUMMARY

- 1.1 Investment Board Directors are asked to note the Growth Deal Programme progress report.

2. BACKGROUND

- 2.1 This paper explains progress against 2019/20 forecast targets for the Growth Deal Programme.

3. RISK MANAGEMENT

- 3.1 There are currently 5 schemes with allocations still uncontracted with GLLEP. These amount to £7.93% of our total growth deal allocation; however 93.84% of the programme is currently fully committed as the £2m originally contracted for Lincolnshire Lakes Lake 1 is yet to be formally withdrawn from the programme. The tables below show recent commitment progress.

Recently Committed Schemes		
Scheme	Allocation £m	Update
A46 Riseholme Roundabout	2.4	Scheme contracted with GL LEP January 2020
Advanced Engineering Centre (The Bridge)	1.95	Scheme contracted with GL LEP January 2020
Gainsborough Growth Project Phase 1b	2.79	Scheme contracted with GL LEP December 2019
Access to Employment Zones Phase 2	1.8	Scheme contracted with GL LEP November 2019
Digital Transport and Logistics Academy	2.43	Scheme contracted with GL LEP December 2019
Huttoft Boat Shed Visitor Centre	0.24	Scheme contracted with GL LEP December 2019
Total	11.61	

Schemes Still to be Committed in Q4		
Scheme	Allocation £m	Update
Northern Junction Roundabout	4.5	Revised scheme approved to contracting on 29 November 2018. Pre-contract conditions

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GROWTH DEAL UPDATE REPORT

		being finalised January 2020. Aiming to draft and sign contract in February 2020
Sleaford Growth Project Phase 2	1.1	Project in due diligence appraisal. Will seek approval to contracting in early February 2020
Centre for Rural Health	1.2	Due diligence appraisal being considered today. If approved will move to contracting stage with a view to contract with GL LEP in February 2020.
Sleaford Growth Project Phase 1	0.9	Final Contract agreed with NKDC. Awaiting signed copy January 2020
Borderville Expansion	1.23	Final Contract agreed with NKDC. Awaiting signed copy January 2020
Total	8.93	

3.2 There is currently one high risk uncontracted scheme (Northern Junction Roundabout) and one high risk contracted scheme (SHIP Phase 1). An update on these projects is covered in Papers 3 and 4.

3.3 The LEP will continue to closely monitor all Amber and Red RAG rated schemes going forward as per risk mitigation processes agreed with the Board.

4.0 CURRENT SPEND POSITION AS AT QUARTER 3

4.1 Overall GL LEP Growth Deal Programme to be achieved by 31 March 2021 is £112,647,638 (not including Lincoln Transport Hub). We have four additional schemes approved post due diligence and in contracting at the moment to the value of £6.92m; Once signed by the end of January 2020 these four projects will bring our commitment level to 110,414,000 (98.01%).

4.2 The Quarter 2 Dashboard was submitted to Government on 22nd November 2019 following claim review completion to the period September 2019. £1.17m has been expended to December 2019. Project claims for the period October - December are currently under review and will be fully completed and submitted to Government by the 22nd February.

4.3 Following our initial reviews we remain on track to fully commit the £6.8m allocation received this financial year and the agreed balance of freedom and flexibility from previous years of £7.3m. Each project risk will be updated following completion of claim assessment.

5.0 ANNUAL PERFORMANCE REVIEW

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GROWTH DEAL UPDATE REPORT

- 5.1 As required by Government our Mid-Year Review was held on the 16th September with attendance from Cities and Local Growth Unit representatives, GLLEP and the Accountable Body.
- 5.2 An update was provided on progress against the improvement plan at the review and a final meeting completing the process took place on 12th November 2019 with GLLEP having achieved all set targets.
- 5.3 The Annual Performance Review is scheduled to take place on 6th February and will focus on progress against actions from the Mid-Year Review, Delivery, Governance and Strategy.

6.0 GLLEP PIPELINE

- 6.1 The latest call for pipeline project ideas closed on the 27th September 2019. Assessment of the Category A schemes took place in October to November 2019, and Category B schemes December 2019 to January 2020. Findings and recommendations to update the full GLLEP Pipeline are covered in Paper 5 today.

7.0 CONCLUSION

- 7.1 It is recommended that the Investment Board notes the position of Single Local Growth Fund performance.

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GROWTH DEAL UPDATE REPORT

CONTRACTED	£(m)	RISK RATING (Q3 LGF Reporting)	SUMMARY UPDATE
Grantham Southern Relief Road	28.000	A	<ul style="list-style-type: none"> The scheme is moving forward having hit the revised milestones and a formal monitoring meeting will be held on the 29th January to discuss progress HIF match funding for the scheme is in approval and a revised financial funding breakdown has been provided
Boston Quadrant Infrastructure Programme	4.750	A	<ul style="list-style-type: none"> The public benefit works are nearing completion and the housing outputs and commercial developments are looking very positive Works on the new stadium are progressing well
Boole Technology Centre	3.375	G	<ul style="list-style-type: none"> Project has financially completed and has delivered a proportion of the required outputs. The applicant has also submitted an informal evaluation and continues to update on project impact
Unlocking Rural Housing	4.108	AG	<ul style="list-style-type: none"> 8 out of the 9 schemes contracted are now physically complete, some projects were due to claim retention in Q4 last year but this has now rolled over to early 19/20. Boston Quadrant Affordable Housing was the last scheme to start, but is on track with spend/grant
Bishop Burton College Lincolnshire Showground Riseholme Campus	7.500	AG	<ul style="list-style-type: none"> The project is physically complete but is still to evidence some residual match funding into the scheme. Outputs have been claimed and the project is on target to deliver all contractual outputs. A meeting with the applicant to review output evidence and assess progress on the formal evaluation (an informal evaluation has been provided) will take place on the 27th January 2020.
Tentercroft Street Growth Corridor Phases 1 and 2	1.100	G	<ul style="list-style-type: none"> The project has financially completed and we are still in the process of capturing final outputs for the scheme.
Lincoln Transport Hub SLGF/DFT	13.000	G	<ul style="list-style-type: none"> One more claim due to cover a retention payment, this is expected in Q2 20/21.

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			<ul style="list-style-type: none"> • In the process of capturing outputs for the scheme. • Still expecting a publicity event to be organised by COLC this spring with DFT, BEIS and LEP to celebrate the schemes impact since completion.
Go Skegness Sustainable Transport	4.000	G	<ul style="list-style-type: none"> • The project has financially completed and we are still in the process of capturing final outputs for the scheme. • Tour to celebrate what the project has achieved organised for 22 January 2020.
Access to Employment Zones Phase 1 (Toll Bar)	1.57	AG	<ul style="list-style-type: none"> • A formal variation request was submitted and approved by the Investment Committee on 29 November 2019. • Project will begin construction on site in July 2020 once Phase 2 has been completed.
Normanby Enterprise Park	0.983	A	<ul style="list-style-type: none"> • The project has advised that it remains on track to fully spend this year.
South Humber Infrastructure Investment Programme (SHIIP) Phase 1	2.000	R	<ul style="list-style-type: none"> • Cress Marsh Site is complete. • There are concerns over the full delivery of all remaining mitigation sites and we are currently reviewing the impact on the spend timeframe and output delivery. Paper 3 covers progress and recommendation in more detail
Lincolnshire Lakes Lake 1	0		<ul style="list-style-type: none"> • North Lincolnshire Council has suffered from significant delays due to the difficulties experienced by third parties involved with scheme's delivery. The GL LEP Investment Committee therefore decided to withdraw the contract for this scheme on the 29th November 2019 and return the scheme to its Pipeline. • Funding released to date will need to be reconciled by the accountable body.
Agri-Food Centre of Excellence	2.400	AG	<ul style="list-style-type: none"> • The project has now commenced. • Spend for Q3 slightly down on forecast
Holbeach Peppermint Junction	1.885	G	<ul style="list-style-type: none"> • The project has financially completed and we are still in the process of capturing final outputs for the scheme.
Scunthorpe Town Centre	3.850	G	<ul style="list-style-type: none"> • The project is progressing well but due to Clugstones going into administration in late December 2019 some project spend may not be achieved this quarter.
Sutterton Roundabout	0.751	G	<ul style="list-style-type: none"> • The project has financially completed and we are still in the process of capturing final outputs for the scheme.
Grantham Technology and innovation Centre	2.000	G	<ul style="list-style-type: none"> • The project is progressing well with full project spend due to be spent this financial year.

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			<ul style="list-style-type: none"> Fit out has begun on the dedicated space allocated for the University Centre
Gainsborough Growth Project Phase 1	1.601	AG	<ul style="list-style-type: none"> Following the variation agreed by board we will be reconciling the contract as part of the claim 3 submission. Activity includes completion of the transport modelling , 4 apartments under the LOTS pilot with the formal rollout of the Private LOTS scheme with the first grant approved. Work on the first unit is nearing completion. Savoy Cinema - Agreement of the heads of terms with the froup is imminent and the planning application for Lindsey Centre has been submitted to Council.
Skills Capital Investment Fund	7.340	G	<ul style="list-style-type: none"> All four schemes now contracted and progressing/complete. Digital Skills Centre at New College Stamford is complete and we are in the process of capturing outputs for the scheme. Lincoln Digital and Professional skills Centre will be on site in May 2020 and will complete the refurbishment works by the end of September 2020. EMAT Centre will have its official opening event on the 30th January 2020. UNCL is making good progress
Lincoln Medical School	4.975	G	<ul style="list-style-type: none"> Scheme on site and construction is underway
Holbeach Food Enterprise Zone	2.985	R	<ul style="list-style-type: none"> Road construction underway on site Variation to contract approved by Investment Committee on 29 November 2019
Hemswell Food Enterprise Zone	0		<ul style="list-style-type: none"> Project withdrawn from the programme as not deemed ready for delivery; scheme returned to GL LEP Pipeline. LDO remains in place for the Central Lincolnshire Food Enterprise Zone.
Europarc Food Enterprise Zone	1.791	AG	<ul style="list-style-type: none"> Construction has started on site but the claim was lower than expeted which needs further investigation. Both unit 1 & 2 piling works have been completed and the steelwork started on the 16th December. There have been no issues on site and the contractor/client are pleased with progress.
South Humber Infrastructure Investment Programme (SHIIP) Phase 2	2.000	A	<p>See Paper 3.</p> <ul style="list-style-type: none"> Humber Link Road construction is underway.

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Skegness Business Park	1.279	G	<p>Milestones achieved to date. Scheme progressing well. Remaining milestones are:</p> <ul style="list-style-type: none"> • Construction completion September 2020 • Scheme completion February 2020
Access to Employment Zones Phase 2	1.802	AG	<p>Project is now contracted with GLLEP. Remaining milestones are:</p> <ul style="list-style-type: none"> • Mobilisation Period 18 November 2019 - 10 January 2020 • Phase 1 Construction 13 January 2020- April 2020 • Phase 2 Construction April 2020 • Phase 3 Construction May 2020 - June 2020 • Phase 4 Works July 2020 • Scheme completion 24 July 2020
A46-A15 Riseholme Roundabout	2.4	G	<p>Project is now contracted with GLLEP. Remaining milestones are:</p> <ul style="list-style-type: none"> • Procurement process issued December 2019 - January 2020 • Procurement contracts awarded January 2020 • Start on site February 2020 • Completion of works August 2020
Sleaford Growth Project Phase 1	0.9	G	<p>Project contract is agreed between NKDC and GL LEP. Awaiting signed document.</p> <ul style="list-style-type: none"> • Final pricing package January 2020 • Validated Target Costs March 2020 • Contractor Mobilisation April 2020 • Construction Start April 2020 • Construction completion July 2020
Advanced Engineering R and D Centre (The Bridge)	1.95	A/G	<p>Project is now contracted with GLLEP. Remaining milestones are:</p> <ul style="list-style-type: none"> • Awaiting confirmation of MHCLG contract signature from UOL • Procurement process May 2019 to January 2020 • Planning application submitted October 2019 • Planning permission secured January 2020 • Contractor mobilisation January 2020 to March 2020 • Works formally commence on site March 2020

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Digital Transport and Logistics Academy	2.43	G	<p>Project is now contracted with GLLEP. Remaining milestones are:</p> <ul style="list-style-type: none"> • Site mobilisation January 2020 • Construction works and commence on site February 2020 • Construction works and building fit out complete October 2020
Borderville Expansion	1.23	G	<p>Project contract is agreed between the College and GL LEP. Awaiting signed document.</p> <p>Procurement Process Completed 31 January 2020</p> <p>Construction Works Start February 2020</p> <p>Construction Works Complete August 2020</p> <p>Education Activity Commences 7th September 2020 onwards</p>
Huttoft Boat Shed Visitor Centre	0.24	G	<p>Project is now contracted with GLLEP. Remaining milestones are:</p> <ul style="list-style-type: none"> • Procurement process complete and contract awarded December 2019/January 2020 • Construction works commence on site January 2020 • Construction works complete and building fit out June/July 2020
PROJECT ALLOCATION	£(m)	RISK RATING	SUMMARY UPDATE
Northern Roundabout Junction	1.900	R	Details provided in Paper 4.
Sleaford Growth Project Phase 2	1.1	A	<p>Detailed design being finalised</p> <ul style="list-style-type: none"> • Due diligence appraisal in late January 2020 • Option for Holdingham decided • Contract being delivered by Eurovia
Centre for Rural Health	1.26	G	Due diligence appraisal being considered today in Paper 6.

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GROWTH DEAL UPDATE REPORT

Keadby Terminal Assisted Outfall (TAO) Pumping Station (Reserve)	3.400	G	Board approved as a reserve project in July 2019.
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South Humber Industrial Investment Programme

Publication	Public Paper (published)					
Meeting date:	31 st January 2020					
Agenda Item:	3					
Item Subject:	Update on the South Humber Industrial Investment Programme (Contracted)					
Author:	Linsay Hill Pritchard (Accountable Body)					
For:	Discussion	Yes	Decision	Yes	Information	Yes

1. SUMMARY

- 1.1 This paper has been prepared to provide an update on the status of the South Humber Industrial Investment Programme. The GLLEP funds two elements of the programme:
- SHIIP Phase 1 - £2million Grant providing Mitigation solution for the employment land at South Humber Bank
 - SHIIP Phase 2 - £2million grant for Construction of Humber Link Road which connects Moody lane with Hobson way on South Humber Bank
- 1.2 The Phase 1 £7.2million scheme seeks to deliver ecological mitigation works in order to unlock employment land within the Humber Estuary. Although progress has been made with the project delivering 40 hectares of mitigation to date, land negotiations have been problematic on several of the sites causing delays in progressing the works within the timeframe of the contract.
- 1.3 Progress on Phase 2 continues at pace. The £7million project was procured by Engie in partnership with NELC through the YORcivil framework and the successful contractor is a joint venture of Colas-Siac construction. The contract commenced on the 4th March 2019. Although there have been delays due to gas protection work near old fleet drain the project is on target to complete by November 2020.

2. PHASE 1 DELIVERY

- 2.1 Prior to contracting local stakeholders worked together with conservation organisations to develop a South Humber Bank Ecological Mitigation Strategy. This enabled a consistent approach across the area driven by the local authorities to reach a common solution acceptable to both conservation and industry stakeholders.
- 2.2 For Phase 1 there are eight landowners with whom Land Take Agreements needed to be agreed. One of the sites has been delivered and the remaining seven sites are currently being negotiated to secure a total 122.5 hectares of mitigation land.

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South Humber Industrial Investment Programme

- 2.3 £2million funding from GLLEP was awarded to contribute towards the cost of acquiring the required sites and undertaking the works to enable the creation of habitat.
- 2.3 In order to undertake negotiations with the various landowners, the Council has taken formal valuation advice which primarily enables acquisition either on a freehold or leasehold basis assuming agricultural land values or alternative use value if this could be supported in planning and development terms.
- 2.6 The project is still progressing on this basis, however due to stalled land negotiations on several sites NELC sought to get agreement for an option to CPO the required sites. This process was formally started in December 2019 and is now within the public domain. Cabinet approval for the CPO in principle is being sought in February 2020.
- 2.7 Although the aspiration is still to acquire the land parcels through negotiation, the CPO mechanism will give confidence on securing the sites in the long-term.
- 2.8 The table below provides an overview of the status of each of the sites.

Site	Overview
Cress Marsh site	This covered 2 sites - Church Commissioners (23.6hectares) & Rigby Estate (15.3 hectares) Delivered (see attachment) - the image attached shows the new 40hectare ecological site which was completed in 2019. The site includes a bird hide next to a central lagoon. This in turn feeds seven more water cells. Recent studies show 10 varieties of birds that are in the Red or critical list by The British Trust for Ornithology. In total over 50 species have been noted in the last 6 months.
Solenis (BASF)	6.2 hectares - Recent confirmation from Head office in the Netherlands to source a local legal team to proceed with sale. Completion is forecast by Q2 20/21.
Novartis	14.3 hectares - Business case is going through the approval process in the company's headquarters in Basle and we would expect confirmation of sale in Q4 19/20. Completion is forecast by Q2 20/21.
Sutton Estates	20.5 hectares - This site is adjacent to Cress Marsh. Despite reaching an agreement and HoT's their Head Office has now insisted on locking in the site for mitigating their own employment land until it's developed. As there is no incentive for them to develop the site the applicant cannot accept this condition and negotiations have stalled.
Cristal Main	20.4 hectares - Despite several attempts Cristal have declined to engage for both their sites, highlighting that they do not wish to dispose of the sites in the short term.
RWE	13.2 hectares - To date there have been many discussions with the agent acting on behalf of the client, however an agreement

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South Humber Industrial Investment Programme

	is still to be reached on the sale.
Cristal Cressbed Field Inland West	9 hectares - See Cristal above

2.9 At this current time the lowest risk model for completion by March 2021 would be the delivery of 60.5 hectares of mitigation covering the Crest Marsh , Solenis and Novartis sites. This would result in total project costs of £5.2 million (a reduction in total scheme costs of £1.9million). NELC have confirmed that this balance of match is secure and will be used to progress the remaining sites.

2.10 The table below provides an overview of the worst case scenario if the remaining sites are taken down the CPO route. Given that some positive discussions have been held with land owners NELC are committed to find a solution prior to formalising the CPO process. This decision would be made in July 2020.

Site	Site acquired	Planning	Tender	Delivered
Cress Marsh site)	Complete	Complete	Complete	Complete
Solenis (BASF)	Q4 20/21	Design done. Planning consent will be achieved Q2 20/21 and is running in parallel with the legal transfer.	Tender in parallel with planning. Awarded Q2 20/21	Construction starts Q3 20/21 and completes Q4 20/21
Novartis	As above. Sites are adjacent and will be developed as one.			
Sutton	22/23	In place	22/23	23/24
Cristal Main	22/23	22/23	22/23	23/24
RWE	22/23	22/23	22/23	23/24
Cristal Cressbed Field Inland West	22/23	22/23	22/23	23/24

2.10 The two projects detailed within the paper are part of a wider strategy of delivery on the South Humber Gateway and includes funding and partnership working with the Humber LEP, North Lincolnshire Council , ERDF and the private sector. SHIIP is already attracting interest with a new advanced manufacturing business on Stallingborough hopefully signed Feb 2020 enabling 5,000 ft sq plus hopefully another 40,000sq ft in two years time. The creation of the Cress Marsh Mitigation site in the Phase 1 contract has enabled the Humber Link road to proceed and unlocks all 200 Hectares of Enterprise Zone sites in the area. (the largest EZ cluster in the UK) These sites already have two planning applications in process creating over £600m of investment and circa 250 jobs.

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South Humber Industrial Investment Programme

3. PHASE 2 DELIVERY

3.1 The works are split into 3 phases:

- Phase 1 - between the existing Hobson Way roundabout to gatehouse
- Phase 2 - between gatehouse and to Solenis (BASF) Entrance
- Phase 3 - Solenis to Woad lane

3.2 Heavy Rainfall on several occasions has caused construction complications on the site, however carriageway and footway works are now complete to binder course levels in Phase 1. The construction of reinforced concrete bases and wing walls has been progressing and large sections of the new carriageway have been surfaced with only the final layer required to complete. The new shared footway/cycleway between the culvert and the new gatehouse junction has also been completed to binder course level.

3.3 The Project Manager continues to work with the contractor and has requested an update on programme completion. The latest position identified that the project would fully complete in November 2020.

3.4 Phase 1 completion is expected in February 2020 and it is at this point that local businesses will be affected and diverted to the new road. Phase 2 works maintain access to the Solenis (BASF) site who will continue to utilise the old road until this phase is complete (expected June 2020) .

3.5 Outputs to be achieved include Jobs created, Commercial Floorspace constructed, private sector investment and 2.5 km of new road.

3.6 Output delivery is looking positive with a proposed Waste to Fuel plant due to start construction in quarter 4 with an expected £300m investment, creating 100's of construction and permanent jobs. There is also currently a Waste to Aviation plant going through planning. This will be the first of its kind in the UK and is backed by Shell and British Airways. Early estimates show job creation of 140 permanent jobs and subject to planning will start this year.

3.7 To date we have released £1.024Million of grant against £2.532million of spend. The recent claim for Q3 is currently being processed and we envisage releasing another £600K of grant. The scheme is on track to hit its 19/20 spend target. Costs for Phase 2 have increased by over £1million but this has been confirmed to be covered by NELC as per contract conditions and provides some additional match funding as an output.

4. RECOMMENDATIONS

4.1 We are confident that the Humber Link Road project will deliver this calendar year and that the mitigation site is deliverable in the longer term.

4.2 NELC are committed to deliver the full mitigation, but have provided the worst case scenario on what could be achieved by the funding deadline of March 2021.

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South Humber Industrial Investment Programme

- 4.3 It is recommended that the board note the progress to date on both projects and continue to support the SHIP Phase 1 project with the full amount of Grant by way of a variation to the contract to reduce the total project costs to £5million. The outputs on the contract would remain unchanged in terms of values, but a proportion of the Public Investment levered would be delivered and evidenced post March 2021.

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GL LEP PIPELINE

Publication	Public Paper (published)					
Meeting date:	31 January 2020					
Agenda Item:	5					
Item Subject:	GL LEP Category B Pipeline Review and Recommendations for Overall Pipeline					
Author:	Halina Davies					
For:	Discussion	Yes	Decision	Yes	Information	Yes

1. SUMMARY

- 1.1 This paper looks to update the Investment Committee on analysis of Category B pipeline schemes received in the September 2018 call for project ideas. It also makes recommendations on which projects are to be included within the overall GL LEP Pipeline list.

2. BACKGROUND

- 2.1 The Board reviewed and discussed all Category A schemes both from the latest call for projects and from the existing GL LEP Pipeline on the 1st November 2019.
- 2.2 In addition, the board agreed that the development of two programmes could begin to be progressed - Unlocking Rural Housing programme Round 2 and a Greater Lincolnshire Agri-Grants Programme in conjunction with other LEPs currently delivering one.
- 2.3 The principles of the approach to re-allocation of existing programme funding should the need arise were discussed and agreed at the 29th November meeting.
- 2.4 On the 17 December 2019 Investment Committee decided to make an allocation of programme funding to the Centre for Innovation in Rural Health Category A pipeline scheme and Papers 6 and 6.1 today provide recommendations for consideration post due diligence of the scheme.
- 2.5 All 21 Category B schemes were assessed throughout December 2019 and early January 2020 and the outcome of this analysis is summarised within this paper.
- 2.6 The existing GL LEP Pipeline list can be located on the GL LEP website at https://www.greaterlincolnshirelep.co.uk/assets/documents/LEP_Pipeline_by_Theme_29_March_2019.pdf
This will be fully updated following the Investment Committee decision today.

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GL LEP PIPELINE

3. OVERVIEW

- 3.1 All Category B submissions were reviewed by LEP Officers with external consultancy involvement in relation to strategic fit, deliverability, economic case and impact. This category is not fully deliverable by March 2021, but it does contain schemes that could progress as quickly as this financially year.
- 3.2 No projects within this call were deemed to be undeliverable and although the schemes are at various stages of readiness for delivery all projects are recommended to be included on the GL LEP Pipeline list.

4. INDIVIDUAL CATEGORY B PROJECT ANALYSIS

- 4.1 Having reviewed the outline business case submissions some projects were clearly more advanced in their development and some in particular are offering outputs/outcomes that currently could help strengthen the overall programme position, new housing and skills in particular.
- 4.2 It is also worth noting that the most deliverable schemes at this point in time are not always the most strategically important.
- 4.3 In terms of highlights from the Category B reviews there are a number of innovative schemes that could be delivered relatively quickly which respond to our Local Industrial Strategy aspirations. Four projects scored over 30 out of 50 which is high for Category B status schemes.

Construction Block Extension (short-term)

Based at New College Stamford this scheme would extend and upgrade the Construction Skills and Motor Vehicle Centre which currently houses the College's Plumbing, Carpentry, Brickwork, Electrical and Automotive students and apprentices. Responding to local business skill requirements the project would be excellent value for money delivering 400sqm of new learning space, creating 2 new jobs, supporting 4775 new learners, assisting 455 businesses and establishing 9 new curriculum/training courses.

Nourishing Lincoln (short-term)

Led by Lincoln Food Partnership this scheme is made up of three related projects: Converting the 'Lincoln in Bloom' display, into an 'Edible Lincoln' festival; Educating our Food Taste - taste education in the school curriculum; Tackling Food Waste and Food Poverty - increasing the use of edible food waste in the County in order to feed those in food poverty. The scheme delivers against priorities for growth in respect of national food security, the visitor economy, skills and training and innovations in the supply chain in reducing food waste. Good value for money strategically the scheme would deliver 6 new businesses, support 46 businesses and 60 learners, and create 250sqm of commercial floorspace and 80sqm learning space.

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GL LEP PIPELINE

Health & Wellbeing Centre (short-term)

Led by Lincoln College this project would involve the purchase and refurbishment of a property on Monks Road, Lincoln, to create a Health and Wellbeing Centre, which will help to meet the demand for wellbeing services from employers across the region. Construction College students would benefit from the opportunity to refurbish and make good the property. The focus of the HWBC would be on mental health conditions. Demonstrating good value for money the project would build 270sqm of new learning space, create 5 new jobs, support 190 new learners, assist 300 businesses, and secure £300,000 of private leverage.

Willingham Fen Marina (Short-term)

Managed by DAS Services (Lincoln) Limited (a detailed illustrative masterplan included) this proposal was initially a response to a strategy published by the Lincolnshire Waterways Partnership to address the strategic deficiencies in Lincolnshire's waterways that are stymying investment, growth and use of our waterways as an asset. A key concern is the lack of 'off-line' moorings which results in insufficient 'stepping stones' along our waterway routes. The scheme has viability issues without initial grant funding support; hence there is an opportunity for the LEP to unlock the entire investment. The overall scheme includes:

- New bridges ensuring sustainable transport opportunities, leisure cycling opportunities and better connected communities.
- Enhanced public transport facilities.
- Traffic calming.
- New land drainage pump and pump station to replace the outdated Internal Drainage Board equipment which is out of date and not environmentally friendly.
- Enhanced strategic flood relief from new embankments providing 'compartmentalisation'.
- Small business units acknowledging that there is no provision in Cherry Willingham. Serious interest in this provision by a local brewing company.
- New footpaths, heritage protection and interpretation and major new public open space.
- Pleasure boat hire.
- Cycle hire - agreed provision of the Access Lincoln hire bike scheme ready to install.
- New chandlery, café/bistro/bar
- Habitat creation throughout the development including aquatic and field environments.
- New housing.

Demonstrating very good value for money the scheme would build a 220 berth Marina benefiting the visitor economy, create 46 new jobs, provide

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GL LEP PIPELINE

off road cycle access for 1300 households, and would directly facilitate the construction of 155 houses and 663m² of business units.

- 4.4 All pipeline schemes will now be dependent on funding opportunities arising either via the Government or indeed other relevant sources, and should funding options become available full business cases based on specific criteria would still need to be requested and assessed before any grant or loan allocations could be made.

5. COMMENTS FROM THE ACCOUNTABLE BODY

- 5.1 Comments will be made during the meeting.

6. RECOMMENDATION

- 6.1 It is recommended that the board reviews and notes the project analysis of Category B pipeline projects and approves the revised overall GL LEP Pipeline list in Paper 5.1 for publishing.

Investment Board

31-Jan-20

Paper 5.1 GL LEP Pipeline by Theme

Theme Projects according to Deliverability	Applicant	Grant Requested or Gap Identified	Total Scheme Cost	Most Deliverable by March 2021	Short-term, Medium Term or Concept
<u>Infrastructure</u>					
Sleaford Growth Project Phase 1b (includes most of Phase 2 SIDP submission) (SIDP Priority)	NKDC	£10.25m	£11m		Medium
SHIIP Immingham Cycleway	NELC	£1m	£1.25m		Short/Medium
Upgrade to A15 Riseholme Roundabout (A15/A46 Junction) and Junction 4 (A15/M180 Junction)	NLC/LCC	£600m	£600m		Concept
Brigg Link Road (Phases 1 - 3) (SIDP Priority)	NLC	£1.6m	£3m		Short
Western Growth Corridor, Lincoln (Beevor Street) (SIDP Priority)	COLC	£14m	£28m		Short/Medium
Grantham Southern Relief Road (SIDP Priority)(currently being assessed for HIF funding)	LCC/SKDC	£71m	£178.9m		Medium
North Hykeham Relief Road (SIDP Priority)	LCC	£104m	£148.5m		Medium
Lincolnshire Lakes Highways Scheme (SIDP Priority)	NLC	£5m	£18.6m		Short/Medium
Barton Link Road	NLC	TBC	TBC		Concept
Pinch Point Sub Programme - A17: Improvement of Heckington Bypass - upgrade to dual carriageway	LCC	£17.5m	£12m		Concept
Nettleham Mobility Hub	LCC	TBC	£31m		Medium
Cross Keys Bridge, Sutton Bridge	LCC	£3.5m	£6.75m		Short
A1/A52 Roundabout Grantham	LCC	£7m	£10m		Long-term
Skegness Gateway Phase 2	LCC/Croftmarsh Ltd	TBC	TBC		Long-term
Access to Employment Zones - Nuns Corner	NELC	£0.5m	TBC		Medium
Access Lincoln Plus	LCC	£3m	£4.1m		Short
Linking Cycle Routes - Hobson Way Immingham	NELC	£0.29m	£0.37m *		Short
<u>Visitor Economy</u>					
Gainsborough Marina (Part of Riverside Gateway Scheme) (SIDP Priority)	WLDC	£4.67m	£7.78m		Medium
Willingham Fen Marina	DAS Services (Lincoln) Limited	£0.5m	£4.79m		Short
Skegness Foreshore Masterplan Programme	ELDC	£3.1m	£6.6m		Concept
Digitising Lincolnshire's Past	LCC	£0.47m	£0.67m		Short/Medium
Communtiy Museum Hubs	LCC	£0.73m	£0.53m		Short/Medium
<u>Skills</u>					
Centre for Public Health Education (capital element only by March 2021)	DN Colleges Group	£1.41m	£2.83m		Short
National Centre for Sustainability in the Built Environment	UOL	TBC	TBC		Concept
TEC Partnership Skills Capital Programme	Grimsby Institute	£4.85m	£9.7m		Concept
Lincoln Medical School (Future Proofing)	UOL	TBC	£21m		Concept
Construction Block Extension	New College Stamford	£2.1m	£2.35m		Short
<u>Business & Innovation</u>					
LSIP Phase 2 (SIDP Priority)	LSIP	£3.4m	£6.8m	*(Enabling)	Short/Medium
Business Lincolnshire Growth Hub	LCC	£5.48m	£7.75m		Medium
Greater Lincolnshire Growth Fund Programme	GLLEP	£5m	£5m		Medium
Managed Workspace - Grantham & Bourne	Invest SK	£0.32m	£0.36m		Short
Greater Lincolnshire Formulation Hub	UOL	£3.63m	£6.1m		Medium
Fairfield Industrial Estate	LCC	£3m	£10.75m		Medium
StamTech Innovation Centre	ELDC	£3m	£6m		Medium/Concept
Employment Opportunity at RAF Scampton	LSIP	£0.7m	£0.98m		Medium/Concept
Plot K, Stallingborough Industrial Units	NELC	£1.89m	£5.28m		Short
Sleaford Moor Enterprise Park	NKDC	£2.5m	£43.85m *		Short
Waddington Technology Park	LCC	TBC	£6.5m		Short/Medium
Gradus Business Centre: Northfields Industrial Estate Extension, Market Deeping	LCC	TBC	£5.3m		Short/Medium
Rural Business Hubs, InvestSK	SKDC	£1.3m	£2.6m		Short
E Factor Incubation	E Factor Group Ltd	£0.36m	£1.2m		Short
Horncastle Industrial Estate Extension	LCC	£0.2m	£0.7m		Short/Medium
Enhanced Inward Investment and Investor Development Service	LCC	TBC	TBC		Medium/Concept
Workforce Development Advisors	LCC	£0.57m	£0.81m		Short

Horncastle Growth Hub	LCC	£1.53m	£8.55m	Short
Holbeach Net Zero and Innovation Accelerator Hub	LCC	£1.68m	£2m	Medium
<u>Agri-Food</u>				
Future Proofing the Agri-food Industry	UOL	£21.7m	£42m	Short/Medium
Advanced Engineering Manufacturing Unit, Stallingborough EZ	NELC	£0.97m	£2.49m	Short
FEZ Programme Funding Gaps	LCC/WLDC/NELC	£1.5m	£18.6m	Concept
Agri-Grants Programme	GL LEP/NA LEP/GCGP LEP	£2m	£6m	Concept
Robotic Egg Handling	LJ Fairburn	£1.32m	£3.3m	Medium
Seperated Eggs Project	LJ Fairburn	£1.6m	£4m	Medium
Hemswell Food Enterprise Zone	WLDC	£2m	£1.27m	Medium
AB Potato Grading and Cold Stores	Albert Bartlett & Sons (Airdrie) Ltd	£5m	£12.6m *	Short
<u>Energy</u>				
Greater Lincolnshire Energy Testbed	UOL	£9.6m	£16m	Short/Medium
Grantham Utility Collaboration (Spittlegate level Grantham Southern Quadrant (InvestSK)	Invest SK	£9m	£25m	Short
Grantham Southern Gateway Sustainable Electricity Supply	LCC/WD	£31m	£31m	Medium
Smart Grid	LCC	TBC	TBC	Concept
<u>Housing</u>				
Vernatt's SUE & Sections 4 & 5 Spalding's South Western Relief Road (SIDP Priority)	LCC	£12m	£20m	Medium
Gap Funding to unlock affordable housing	GL LEP Programme	£2.5m	£9.3m	Concept
Integration of Housing, Health and Care	GL LEP Programme	£2.1m	£17.4m	Concept
Enabling Housing Programme	GL LEP Programme	£10.5m	£77.1m	Concept
<u>Water Management</u>				
WRE - Phase 1 Smart Water Catchment Management	LCC	£5.77m	£14m	Short/Medium
Isle of Axholme Flood Infrastructure (Phase 1 Keadby Pumping Station)	Environment Agency	£3.5m	£35m *	Short
Saltfleet to Gibraltar Point Strategy Works Arising (2021 onwards)	Environment Agency	£5m	£75m	Medium/Concept
Barton to New Holland tidal defence improvements (SIDP Priority)	Environment Agency	£4.10	£24m	Concept
South Ferriby to Winteringham Flood Alleviation Scheme	NLC	£1m	£11.84m	Short/Medium
Isle of Axholme Flood Infrastructure Phase 2	Environment Agency	£6m	£60m	Concept
Saltfleet to Gibraltar Point Coastal Defences	Environment Agency	TBC	£600m	Concept
Lincolnshire Lakes Lake 1	NLC	£2m	£2.8m	Short/Medium
Lagoon and Ring Main Infrastructure	GV Foods	£1m	£1.5m	Short/Medium
Wastewater Treatment Plant	Whites Recycling Ltd	£0.65m	£1.35m	Short
<u>Health & Care</u>				
Nourishing Lincoln	The Lincoln Food Partnership	£0.7m	0.75m	Short
Unlocking Budgeting Support and Improving Accessibility Across Lincolnshire	LCC	£0.5m	£0.55m	Short/Medium
Lincolnshire Centre for Rural Ageing Excellence	Community Lincs	£1.5m	£1.86m	Short
Lifelong Earning in Greater Lincolnshire	Lincolnshire Care Association	TBC	TBC	Short
Health and Wellbeing Centre	Lincoln College	£0.3m	£0.6m	Short
Centre for Innovation in Rural Health (Phase 2 within Medical School)	UOL	£1.34	£2.7m *	Short
Centre for Innovation in Rural Health (Dedicated building for expansion)	UOL	£11.5m	£19.1m	Medium
<u>Town Centre Regeneration</u>				
Boston Townscape Heritage	Boston BC	£0.25	£1.8m	Short
Scunthorpe Town Centre Phase 3	NLC	TBC	TBC	Long-Term
Lincoln : Vibrant City Centre Intervention Programme Phase 1	COLC	£2.7m	£4.55m	Short/Medium
Lincoln : Vibrant City Centre Intervention Programme Phase 2	COLC	£5.2m	£10.4m	Short/Medium
<u>Creative Industries</u>				
Programme for Business Productivity, Growth and Innovation	UOL	£6.24m	£10.4m	Medium
Culture for the County	New Theatre Royal, Lincoln	£0.25m	£0.36m	Short/Medium
<u>Feasibility Studies</u>				
PE21 Connecting People and Place feasibility study	Boston BC	£0.1m	£0.12m *	Short
Renewable Transport Fuel Network feasibility study	NLC	£0.1m	£0.18m *	Short

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CENTRE FOR INNOVATION IN RURAL HEALTH

Publication	Public Paper (published)					
Meeting date:	31 January 2020					
Agenda Item:	6					
Item Subject:	Centre for Innovation in Rural Health – 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 Centre for Innovation in Rural Health Project. The project is being considered as part of the Growth Deal Programme.

2. BACKGROUND

- 2.1 The Centre for Innovation in Rural Health was awarded a £1.26m provisional growth deal allocation in December 2019. The scheme will be located on the third floor of the new Lincoln Medical School building.
- 2.2 The scheme originally required £2.61m of grant support but a scaled down phased delivery version has had to be explored by the University of Lincoln given the limited funding currently available within the GL LEP Growth Deal Programme.
- 2.3 Should further Growth Deal funding be returned to the programme in the short-term, GL LEP would look to increase the amount available for this highly strategic project up to the original amount requested.
- 2.4 The Centre will drive growth and productivity throughout the health & care sector, injecting higher level skills and innovation for the benefit of the entire supply chain. The scheme directly supports the stated Strategic Economic Plan and Local Industrial Strategy priorities related to the emerging Health & Care sector, building on existing investment by the LEP and other stakeholders.

3. THE PROJECT

- 3.1 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. Located on the 3rd floor of the new Lincoln Medical School Building, it will provide space for:
 - The co-location of the National Centre for Rural Health and Care, the Community & Health Research Unit (CaHRU) and the Lincoln Institute of Health, including two Professors of Rural Health, and Professors of

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CENTRE FOR INNOVATION IN RURAL HEALTH

Emergency Medicine and Care of Older People, with their research teams and the Lincoln Clinical Trials Unit.

- Industrial engagement - providing a neutral, pre-competitive, platform for stakeholders across the region to engage with each other and the knowledge base
- A Category 2 laboratory facility
- Global visiting scholars (including from LaTrobe University, our partner institution in Australia)
- An ultimate cohort of up to 23 PhD students, providing critical opportunities for knowledge exchange with industrial partners

4. FUNDING

4.1 The project requires £2,609,770 to be fully delivered; however for the purposes of this phased approach a £1,256,960 growth deal grant towards a Phase 1 Project has been evaluated within the due diligence report. Match funding has been identified as follows:

- UOL Capital - £750k initially, with a further £603k being required to enable delivery of future phases if no further grant funding sources are secured
- UOL Revenue - £2.7m

4.2 UOL originally was matching the scheme with revenue support only, however to ensure viability of the revised scheme given the low capital grant amount available, the applicant has had to find some additional capital contributions as well.

4.3 LEP funding would be spent on professional fees, fit-out, furniture, signage, ICT, non-recoverable VAT.

4.4 As required of all GL LEP Growth Deal projects 0.5% of the grant amount (£6,285) will be retained from the existing £1.26m allocation for the overall scheme to cover GL LEP Fees.

5. OUTPUTS

5.1 The original outputs have been attributed on a pro-rata basis given the phased approach having to be taken. They would be as follows:

Direct Core Outputs	
Private Match Funding Investment Leveraged (£)	£3.4m
New training/learning space refurbished/constructed (m ²)	695
Number of businesses assisted	26.4
Number of learners supported	110.4

5.2 The outputs above have been calculated from the level of facilities created and investment in the revenue activities by the University of

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CENTRE FOR INNOVATION IN RURAL HEALTH

Lincoln. It is likely that there are higher levels of outputs to be generated and this could be explored further as the project evolves.

- 5.3 The value for money assessment and overall package of outputs that are delivered by this project are demonstrated to be good.

6. PROJECT MILESTONES

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

Milestone	Forecast Date	Comments
Funding Agreement with GL LEP (subject to approval)	February 2020	
<u>RIBA Stages 2, 3 & 4</u>		
Community & stakeholder engagement	Commenced	On-going with Project Steering Group and User Group which forms part of project governance
Utility company engagement	Not applicable	All captured within Lincoln Medical School Building project
Detailed design completed	31 st March 2020	
Cost Plan produced	1 st May 2020	
Planning application submitted	Completed	Submitted on 25 th January 2019 as part of Medical School Building project
Match funding secured	Completed	Match funding wholly from the University of Lincoln
Planning permission secured	Completed	Planning permission previously secured for the Medical School Building Project as a whole on 25 th April 2019
Procurement process issued	Complete	A robust procurement process has been completed for the full Lincoln Medical School
Procurement contracts awarded	29 th November 2019	The contract will be secured as part of the over Medical School Building project. Contract variation to be agreed with BAM and timescales provided. A further instruction will be issued once detailed design and cost plan has been agreed for the fit out of the fallow floor, forecast for 31 st March 2020
<u>RIBA Stage 5</u>		
Start of construction/scheme	3 rd August 2020	Works commence in fitting out the third floor
Completion of	31 st March	Scheme will be closely managed by

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CENTRE FOR INNOVATION IN RURAL HEALTH

construction/scheme	2021	the UOL Estates team to ensure that it is fully delivered by 31 March 2021
Commencement of education activity	September 2021	

6.2 As the due diligence report confirms it is considered that the above milestones are reasonable and realistic.

7. RISK ANALYSIS & DELIVERABILITY

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

Risk	Likelihood Low Medium High	Overall Impact Low Medium High	Mitigation	To be a condition of funding? Y/N
Match funding is not secured	Low	High	Match funding from the University is confirmed through its short to medium term staffing plans. This could be impacted by changes in level of overall income and will be monitored for impact.	No
Match funding for the balance of the capital works is not secured	Medium	High	UoL manage significant programmes for development and ongoing expansion of the university and have expertise in securing capital funds from a range of sources. It is therefore the university's intention to seek to secure the balance of funds necessary for the delivery of the scheme in its entirety; however, if this is not achievable in the short term the university will phase delivery over a longer period of the project as proposed.	No
Contract variation not agreed with BAM	Low	High	Delivery of the scheme would be required to be undertaken by a third party contractor and would need to be subject to a tender process. This could impact on timescales for delivery and would require to be monitored with GL LEP so as to ensure that SLGF is spent prior to the March 2021 deadline.	Yes
Failure to obtain	Low	High	The Centre is within the Lincoln Medical School, which has secured	No

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CENTRE FOR INNOVATION IN RURAL HEALTH

necessary planning permissions and consents			full planning permission. This still requires the discharge of specific conditions to achieve final approvals, which will be monitored through the project steering group.	
Project costs higher than anticipated	Medium	High	The capital costs are based on estimates from the Lincoln Medical School procured contractor, which will be monitored through the project steering group. A value engineering strategy will be employed should costs escalate. Appropriate contingencies have been built into the budget at this stage. The university to confirm they will underwrite any cost increases on the project.	Yes
Low uptake of facilities and services	Low	High	Research has indicated strong unmet demand for the project and suggests that take up of the services delivered through the capital build will be a low risk issue. Should demand be lower than anticipated the University will devote additional resources to marketing the services to a wider audience	No
Loss of key staff	Medium	High	As a large institution the University anticipates a churn of staff within key areas and has developed procedures to ensure continuity of business. The project development and delivery teams will form a project steering group (Client Review Group) as shown in the project milestones to ensure that information and experience is effectively archived	No

8. DEMAND AND NEED

- 8.1 Lincolnshire faces fundamental health challenges, many of these related to its highly rural and coastal nature. The new Centre for Innovation in Rural Health will provide an industrial focussed translation platform to the Lincoln Medical School (and the wider University of Lincoln allied health provision) ensuring that the impact of this wider investment is maximised for the GLLEP region. The Centre will support the Lincoln Medical School to:

:

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CENTRE FOR INNOVATION IN RURAL HEALTH

- Provide the skilled workforce that the NHS within Lincolnshire needs - students studying a high-quality curriculum with a Lincolnshire 'flavour' combined with local placements will stay
- Address chronic specialist shortages in Lincolnshire - particularly primary care and mental health
- Drive support for general practice to allow the NHS to meet patient need in Lincolnshire - the Local Medical Committee estimates a shortfall of 75 GPs across Lincolnshire by 2020
- Unlock the potential of the Lincolnshire to create a workforce that is from the community, for the community - through an innovative and ambitious widening participation programme
- Drive innovation, transform education and industrial partnership in medical education - transforming not just the people but the whole health system and wider economic benefits

9. COMMENTS FROM THE ACCOUNTABLE BODY

9.1 Comments will be provided during the Investment Committee meeting.

10. CONDITIONS OF GRANT

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

Pre-Contract

- A satisfactory cost appraisal is completed by RLB.
- UoL to provide a State Aid report to verify that the scheme is in compliance with regulations.
- UoL to provide written confirmation that in the event that capital costs of delivering the centre are in excess of GL LEP funding that UoL will meet any cost increases in this regard.

Pre-Drawdown

- UoL to provide a copy of the contract variation and confirmed construction costs for fitting out the third floor for the scheme as proposed.
- UoL to provide details of the proposed phases of the scheme and associated programme for delivery.
- An updated programme for delivery of the subject scheme to be provided by UoL, once the contract variation has been agreed and is executed with BAM Construction.

Post-Contract

- UoL to commit to undertake engagement in the rural areas in accordance with GL LEP's investment committee direction.

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CENTRE FOR INNOVATION IN RURAL HEALTH

11. RECOMMENDATION

- 11.1 It is recommended that GL LEP growth deal grant totalling £1,256,960 be approved by the GL LEP Board towards the scheme subject to the conditions detailed above, and that it proceeds to contracting stage. In addition, £6,285 will be retained from the project allocation to cover GL LEP fees.

Greater Lincolnshire Local Enterprise Partnership

DUE DILIGENCE ASSESSMENT

in respect of

Single Local Growth Fund

for

**Centre for Innovation in Rural Health
University of Lincoln
Brayford Campus
Lincoln**

23rd January 2020

Paper 6.1

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APPENDICES

I	BUSINESS CASE AND KEY SUPPORTING DOCUMENTATION
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1.0 PROJECT SUMMARY AND PLANNING STATUS

- 1.1 The University of Lincoln (UoL) has submitted a Detailed Business Case seeking funding of £2,609,770 of Single Local Growth Fund (SLGF) for the fitting out of a fallow floor on the Lincoln Medical School building (currently under construction) for research, training, community engagement, identifying solutions for delivering healthcare and improving population health in rural areas.
- 1.2 GL LEP has already invested just over £5 million into the £21.1 million Lincoln Medical School development and the approval and investment made GL LEP was always on the basis that the third floor of the facility was planned to lie initially fallow until the subject scheme had completed feasibility and funding requirement and sources were identified.
- 1.3 The nature of accommodation and facilities that will be provided on the third floor, to enable operation of the centre is summarised as follows:
 - Teaching Space/Classroom.
 - Three Laboratory Areas.
 - Laboratory Benches.
 - Two Meeting Rooms.
 - Six Office Spaces, Laundry/Autoclave/Wash Up Areas.
 - Equipment Store.
- 1.4 The funding that was sought from GL LEP represents 100% of funding required to meet the capital costs of fitting out the third floor as the Centre for Innovation in Rural Health. UoL are contributing 100% of the revenue funding necessary to operate the facility post-completion of the capital works.
- 1.5 On the 17th December 2019, the GL LEP Investment Committee approved a provisional allocation SLGF of £1,256,960 to the proposed centre, subject to due diligence being completed.
- 1.6 The reason for allocating a lesser amount of SLGF was based upon the budget remaining within the SLGF programme and that this project could therefore only be offered the remaining balance of un-allocated funding.
- 1.7 The centre is able to be delivered in phases and therefore, the GL LEP Board made the following decision:
 - That £938,601 of SLGF available was allocated to the Centre for Rural Health on the 29th November 2019, along with a further £324,359 to be added following a further review of head room within the programme which was intended to be added to the total amount of SLGF available for the scheme.
 - The Centre for Innovation in Rural Health was deemed a highly strategic project and it was approved to progress to contracting stage subject to final due diligence, which was required to incorporate recommendations pending from the UoL submission for a phased delivery plan.
 - The expansion of the Centre for Innovation in Rural Health will remain on the GL LEP Category A Pipeline programme, to be considered for any future funding that might become available for the remaining phases.
 - Engagement in rural areas was to be a condition of funding and incorporated within the contract.

- 1.8 The position with the project therefore, is that if there only remains SLGF of £1,256,960, the UoL will need to find the shortfall of funding of £1,352,810 in order to complete the project as proposed. UoL have stated that delivery of the centre may need to be delivered in phases, subject to securing funding.
- 1.9 In view of the reduced amount of SLGF available for the project, GL LEP have agreed with UoL that consideration can be given to reducing the number of outputs that are counted for the project commensurate with the reduction in overall funding available from GL LEP. This matter is detailed within Section 10 of this report.
- 1.10 Proposals for the Centre for Innovation in Rural Health (in its entirety) through fitting out the third floor of the Lincoln Medical School will provide:
- The co-location of the National Centre for Rural Health and Care, the Community and Health Research Unit (CaHRU) and the Lincoln Institute of Health (LloH) including two professors of rural health, professors of emergency medicine and care of older people along with their research teams and the Lincoln Clinical Trials Unit.
 - A category 2 laboratory facility.
 - Fostering industrial engagement by providing a neutral, pre-competitive platform for stakeholders across the region to engage with each other and the knowledge base.
 - Accommodating global visiting scholars (including from LaTrobe University, UoL's partner institution in Australia).
 - An automate cohort of up to 23 PHD students, providing critical opportunities for knowledge exchange with industrial partners.
 - A dedicated space of 695 sqm where academics, healthcare professionals and industrial supply chain along with patient groups can work together to address rural health challenges and drive innovation throughout the supply chain.
- 1.11 Upon completion of the fitting out of the third floor, the UoL will partner and strengthen existing relationships with the recently formed National Centre for Rural Health and Care, along with private sector organisations including Lincolnshire West CCG, Lincolnshire Local Medical Committee Limited and GP Gena. Strategic partners will also work closely with the UoL including Care UK with whom the university have formally agreed a collaboration agreement in order to support education and research opportunities and Macmillan.
- 1.12 The centre will therefore provide courses, training and research facilities to learners/students within the university and from various public and private sector organisations, along with providing businesses with the necessary facilities and platform to undertaken research, learning and engagement with other key organisations within the rural health sector. The centre will offer a programme of training and development, devised by UoL specifically designed to meet specialist needs of rural care health professionals. This will include provision of an MSc in rural and remote health and a distinctive focus on the needs and challenges of improving health and wellbeing in rural populations.
- 1.13 For medics, a PG/Post-Registration Programme in Rural and Inclusion Health along with Medicine in Rural and Deprived Areas (MIRANDA) will be developed along with large elements of interprofessional training and practice.

- 1.14 The offer within the centre will also include specialist CPD elements for a wide range of professionals around the needs of rural and deprived populations. The provision of these courses and training will both bring health and care professionals to Lincolnshire and also help retain those professionals who already reside within the LEP area.
- 1.15 The fitting out of the third floor does not require planning permission as this is covered under the planning approval granted for the Lincoln Medical School building in January 2019.
- 1.16 UoL have secured the necessary revenue funding to be able to operate the facility post-completion and have stated that they will seek to secure the balance of capital funding required to enable the full fit out of the centre, albeit as previously referred, this will result in the phased delivery of the centre.
- 1.17 The UoL have confirmed that the activities provided within the centre will assist in sustaining the facility post-completion, beyond the requirement for the initial capital investment necessary to fit out the third floor within the Lincoln Medical School for this purpose.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 As referred, UoL initially sought £2,609,770 from GL LEP, which included £10,000 of revenue funding. GL LEP have advised that there is no revenue funding available through the programme and any such request is therefore to be excluded from the funding ask.
- 2.2 Total costs for delivering the Centre for Innovation in Rural Health have been estimated at £5,288,541. It is noted however that total project costs included £2,678,771 of revenue funding that was to be provided as match by the UoL in operating the facility post-practical completion.
- 2.3 The funding sought from GL LEP therefore represents 100% of the capital costs required to meet the fit out for the third floor to operate as the Centre for Innovation in Rural Health.
- 2.4 UoL had stated that they did not have any capital available to contribute to the works cost to fit out the third floor and were therefore relying on GL LEP funding in totality to meet all capital costs associated with the project.
- 2.5 On the basis of the limited availability of SLGF of £1,256,960, the funding profile for the project is as follows:
- Total cost of fitting out the scheme - £2,599,770.
 - Less SLGF funding available of £1,256,960.
 - A shortfall in capital funding of £1,352,810.
- 2.6 The UoL have confirmed that if no further SLGF funding is available, that they will seek to secure the capital shortfall, although this will result in the phased delivery of the centre. The UoL are to provide a revised programme for the phased delivery of the project accordingly.
- 2.7 With regards to the UoL's match funding being the revenue of £2,688,771, the UoL have confirmed that the match funding proposed will in part be generated activities undertaken within the centre and the Medical School and in part through the university's future staffing plans, which have been fully approved by UoL.
- 2.8 Subject to the university being able to source other capital funds to enable the delivery of the centre in phases, there are no other sources of funding required beyond GL LEP in order to enable the project to proceed.

3.0 KEY ISSUES

3.1 The issues identified within this due diligence report are as follows:

- i. The full amount of funding (including revenue) that was sought by UoL for the comprehensive delivery of the scheme as a single phase cannot be delivered due to the limited availability of SLGF. UoL will therefore be responsible for sourcing all further capital funding required to enable delivery of the centre, which will now proceed on a phased basis. GL LEP have advised however that if further SLGF does become available, this may be allocated to this project to enable an accelerated delivery.
- ii. With regards to the cost appraisal being undertaken as part of the due diligence, full cost information was not provided in sufficient time for the assessment of cost to be finally completed and the report submitted by RLB. Any offer of funding will therefore be required to be conditional on a satisfactory cost assessment being completed by RLB.

This is discussed in further detail within Section 6 of this report.

- iii. UoL have confirmed that based upon their experience and similarity of schemes which have previously been tested in terms of State Aid compliance, that they are of the view that there will be no State Aid issues in relation to this project.

UoL have confirmed that a full State Aid report will be provided if this project is to undergo full due diligence. The UoL are therefore required to provide a State Aid report. Provision of this report is to be a condition of any funding award and to be provided pre-contract.

- iv. At the time of preparing this due diligence report, as the scheme will be delivered in phases by the UoL given limitations on funding, a revised programme for delivery identifying phases and associated programme is required to be provided by UoL, and has not been fully clarified by the UoL at this time.

3.2 No other issues have been identified as part of this due diligence.

4.0 STRATEGIC FIT

4.1 UoL have demonstrated that the programme has strong strategic fit with a number of strategies and priorities, which are summarised as follows:

- i. The project meets a number of the strategic objectives of GL LEP's Strategic Economic Plan (SEP) specifically, Objective 1, driving the growth of areas defining and strongest sectors including health and care. In addition, Objective 3 is supported which seeks to drive growth by putting expansion into new markets.
- ii. The project aligns with GL LEP's emerging Local Industrial Strategy (LIS) which highlights opportunities relating to a focus on health and care, ageing population and life sciences.
- iii. The project also links to other strategies and initiatives including the Lincoln Science and Innovation Park, the Growth Hub, Greater Lincolnshire Projectivity Programme and the GL LEP Innovation Council.

5.0 MARKET ASSESSMENT

- 5.1 UoL has for many years been integral to the development of GL LEP's health and care agenda in Greater Lincolnshire including the preparation of the Way Forward Vision in 2014. Ongoing research identified that at the heart of this plan, is the need to support and promote the sectors research, innovation and development within the full private sector supply chain. The Way Forward Vision further acknowledged the need for a new approach to health and social care, that will create improved quality of care, integrate services, reduce the burden on the tax payer and help grow a new invigorated sector at the same time. Without innovation and skills development within this sector, the Vision could not be achieved.
- 5.2 Research undertaken by the UoL also establishes that Lincolnshire faces fundamental health challenges, many of these related to its highly rural population at around 48%, compared to 18% for England.
- 5.3 Furthermore, the proportion of over 55's is projected to increase at 20% more than the national rate between 2014 and 2025.
- 5.4 In parallel there have been consistently increasing calls for greater service provision within the healthcare sector and the challenge that exists has been meeting this demand for services, along with the major skills gap which compounds the extent and quality of care that is available. In association with a growing and ageing population, changing socio demographics and more technically complex healthcare requirements, it is forecast that these challenges will be exacerbated in future as part of vital routine care.
- 5.5 In addition, there are also high vacancy rates within adult social care, ranging from around 3.4% to 11% across the GL LEP geographical area. The employment gap in Lincolnshire is estimated to grow to around 13,000 in coming years unless the skills gap is addressed.
- 5.6 There are already known critical challenges within the health and care sector in Lincolnshire, particularly in acute care. The United Lincolnshire Hospitals Trust (covering Lincoln, Grantham and Boston) was placed in CQC special measures in October 2013 and its clinical services in April 2017. In September 2017 the Trust was placed into financial special measures by NHS England with the Trust highlighting extensively the impact of staffing gaps that are routinely filled with expensive temporary agency staff.
- 5.7 The health and care sector is also moving increasingly towards digitising its processes. The efficiency gains of moving to digital processes are large, particularly in terms of servicing a larger and dispersed population with fewer resources within the health and care sector to be able to affectively meet the needs for services.
- 5.8 Therefore, in association with the activities to be undertaken within the Lincoln Medical School, the Centre for Innovation in Rural Health will co-ordinate, expand upon and enhance education, skills and training which will seek to address some of the aforementioned issues by:
- Helping to provide the skilled workforce that NHS within Lincolnshire needs – student studying will benefit from a high quality curriculum tailored to the specific challenges within Lincolnshire, with the ability for local placements to stay at the university.
 - Addressing chronic specialist shortages in Lincolnshire, particularly primary care and mental health.

- Driving support for general practice to allow the NHS to meet patient needs in Lincolnshire, particularly in terms of co-ordinating skilled staff and GP's across Lincolnshire, which are anticipated to exhibit a shortfall across Lincolnshire during 2020.
- Unlocking the potential of the Lincolnshire area to create a works source that is from the community for the community. This is intended to be delivered through an innovative and ambitious widening participation programme, whereby training of staff can be directly linked to other public and private sector employers.
- Driving innovation, transforming education and industrial partnership in medical education, which will involve not just students and employees but will disseminate through the whole health system to deliver wider economic benefits.

5.9 UoL is therefore well placed to deliver this centre utilising extensive links, networks and partnerships that are already in place and for this to be operated as part of the university campus and directly in accordance with identified need.

6.0 DEVELOPMENT APPRAISAL

6.1 A traditional development appraisal has not been undertaken for this project, given that it is the delivery of an educational and training facility within an existing building within the university campus.

6.2 UoL own and control the land for the scheme which is within the university campus and is subject to the ongoing construction of the Lincoln Medical School, which has already been procured and is in delivery.

6.3 The key element of the project which requires assessment therefore relates to the costs for fit out of the third floor for the centre, which have been submitted and are subject to review by RLB.

6.4 At the time of preparing this report, the cost appraisal has not been completed by RLB due to insufficient time to fully assess costs.

6.5 It is therefore recommended that a satisfactory cost assessment is completed by RLB as a condition of funding.

7.0 DELIVERABILITY AND PROGRAMME

7.1 The delivery of the Centre for Innovation in Rural Health comprises an integral part of the construction of the Lincoln Medical School for which procurement contracts were awarded in autumn 2019. The third floor proposed for the centre will therefore be constructed as part of the wider Medical School contract.

7.2 The fit out of the third floor of the Medical School for the purposes and uses referred to earlier within this report is also intended to be delivered as part of the procurement contract awarded through the main contract for the construction of the Medical School, which is being undertaken by BAM Construction. It is therefore intended for BAM to undertake the fit out of the centre by way of a variation to the existing contract, as it is simply not feasible or practical for any other contractor to carry out the works to the fallow floor due to technical and construction matters that are intertwined between the two, albeit separate elements of work.

7.3 BAM Construction were appointed by the university following a formal procurement process under the YORbuild2 Framework.

- 7.4 With BAM Construction on site, if the delivery of the Innovation Centre were not to be phased, the programme provided showed that the fit out works could commence in August 2020, with the fit out of the third floor completed by March 2021.
- 7.5 It is noted however that the scheme is now likely to be phased, a revised programme for delivery is awaited from the UoL, which will be dependent on the balance of capital funding being secured.
- 7.6 The scheme is therefore at an advanced stage for delivery and programme to a large extent is dictated by the ongoing delivery of the Medical School, which UoL confirm is on programme. The final elements requiring to be agreed relating to delivery of the scheme are fixing the final specification for the fit out works and completing the estimation of costs in this regard.
- 7.7 Whilst a level of detail has been provided in relation to costs for fitting out of the centre, there is the prospect for costs to change following completion of the specification; however, the budget for undertaking these works is fixed and therefore any variations to costs which result in increases over the budget will be required to be managed by the UoL working with the contractor and ultimately should cost increases not be mitigated, these will be the responsibility of UoL to meet.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 The UoL have confirmed that based upon their extensive experience and track record of completing a number of projects utilising a range of funding sources that they have the understanding to ensure that this project will be delivered in accordance with the General Block Exemption Regulations (GBER) and should therefore be State Aid compliant.
- 8.2 Thomas Lister are also experienced in appraising projects where full State Aid Advice has been provided for similar projects whereby education, skills training and some element of commercial activities are undertaken.
- 8.3 Educational facilities and skills training generally falls under the exemption of the ability for educational institutions to operate without infringing State Aid and providing that commercial activities are charged at market rates this also is generally compatible with State Aid regulation.
- 8.4 It is acknowledged however that Thomas Lister are not State Aid experts and UoL have confirmed they will provide a full State Aid report for this project.
- 8.5 It is therefore recommended that as a pre-contract condition UoL provide State Aid advice for review by GL LEP's accountable body.

9.0 PROCUREMENT

- 9.1 As referred earlier, the procurement and delivery of the centre is incorporated within the tender for the Medical School which is wholly compliant with procurement regulations through an approved framework.
- 9.2 The ability to issue a variation to the contract is also an approved process, providing that this is compliant with Regulation 72(b) of the Public Contracts Variations Order. This means that the price for the scheme can be negotiated with BAM Construction subject to confirmation that all rates and costs are in accordance with market rates and offer value for money over and above what a third party contractor could deliver if appointed.

- 9.3 As the costs for fitting out the third floor for the centre will therefore need to be assessed in accordance with the provisions of 72(b) the UoL are to confirm that this process has been satisfied as a condition of funding.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 Outputs generated specifically and only by the Centre for Innovation in Rural Health at a reduced amount of SLGF following pro-rata apportionment are detailed in the table below:

	2019/20	2020/21	2021/22	2022/23	2023/24	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Private Sector Investment Leveraged (Revenue) (£)		875,301	892,807	910,663			2,688,771
Private Sector Leveraged (Capital) (£)			750,000				750,000
ii) Local Strategic Outputs							
New training/learning space refurbished/constructed (sq m)		695					695
Number of businesses assisted to improve performance		4.8	7.2	7.2	7.2		26.4
Number of learners supported		24	28.8	28.8	28.8		110.4

- 10.2 The value for money assessment of the outputs generated for those identified in the table above is as follows:

- i. Total Private Sector Investment Leveraged (Capital and Revenue) at £3,438,771 – equates to a leverage ratio of 1:2.7, which is above standard investment ratio of 1:2 and is therefore good value for money.
- ii. New training/learning space refurbished/constructed at 695 sq m – £1,808 per sq, which is in excess of standard benchmarks; however, standard benchmarks are not reflective of the delivery of specialist space, such as that which will be provided at the subject scheme.
- iii. Number of business assisted at 26.4 – equates to a cost per business of £47,612 which is also a high cost in terms of value for money; however, is considered to be more generally acceptable given the nature of the businesses to be assisted and that this relates to a general upskilling and often more digitised/high technology processes.
- iv. Number of learners supported at 110.4 – equates to a cost per learner of £11,386 which is reasonable value for money.

- 10.3 The overall value for money for this scheme is therefore considered to be good, particularly in context with the additionality of the outputs generated as part of the wider Lincoln Medical School development.

- 10.4 On the basis that if additional SLGF headroom is identified and potentially allocated to this project at £2,599,770, the total outputs offered to GL LEP for this investment are summarised in the table below:

	2019/20	2020/21	2021/22	2022/23	2023/24	Future Years	Total
iii) Core Outputs (Strategic Economic Plan)							
Private Sector Investment Leveraged (Revenue) (£)		875,301	892,807	910,663			2,688,771
Private Sector Leveraged (Capital) (£)							
iv) Local Strategic Outputs							
New training/learning space refurbished/constructed (sq m)		695					695
Number of businesses assisted to improve performance		10	15	15	15		55
Number of learners supported		50	60	60	60		230

10.5 The value for money assessment of the outputs generated is summarised below:

- i. Private Sector Investment Leveraged at £2,688,771 – equates to a leverage ratio of 1:1.03 which is below standard investment ratios of 1:2.
- ii. New training/learning space refurbished/constructed at 695 sq m – £3,741 per sq m, which is significantly in excess of standard benchmarks for bringing forward new space; however, standard benchmarks are not reflective of any specialist space such as that which will be provided at the subject scheme.
- iii. Number of business assisted at 55 – equates to a cost per business of £47,268 which is also high; although generally acceptable given the nature of the businesses to be assisted and that this relates to a general upskilling and often more digitised and high technology processes.
- iv. Number of learners supported at 230 – equates to a cost per learner of £11,303 which is reasonable value for money.

10.6 The value for money for the outputs generated assuming a higher level of investment from GL LEP is reasonable; however, is poorer value for money in relation to the reduced level of outputs attributable to reduced SLGF funding.

10.7 The primary reason for this is that private sector investment leveraged increases significantly because revenue costs necessary to support and operate the Centre for Innovation will still be required, along with additional capital investment from UoL in order to ensure delivery of the scheme as proposed.

10.8 Furthermore, the provision of the new training space on the third floor of the building has also been included without any adjustments given that this floor space will exist in any event being fixed in area, although being brought forward for use on a phased basis.

10.9 With regards to the number of businesses assisted and learners supported, the reduction in SLGF to the level of unallocated funds equates to a reduction of 50% and therefore, if funding is reduced by half and outputs are reduced by half, overall value for money remains unchanged.

- 10.10 Therefore, in terms of overall value for money for this project, the most financially advantageous option for GL LEP is for funding to be invested at the lower sum of £1,256,960.
- 10.11 Overall, the value for money of this scheme is reasonable, in context with the additionality of outputs generated as part of the wider Lincoln Medical School development and based on the fact that there will be many other benefits generated by this project which have not been captured as part of core or local outputs and which potentially will extend far beyond the boundaries of Greater Lincolnshire and promote the scheme on an international scale.
- 10.12 It is also noted that some of the outputs such as floor space constructed and private sector leverage are more ancillary outputs and overall therefore, as a package of outputs and benefits, are considered reasonable given that they relate to a single floor within the Lincoln Medical School.

11.0 MILESTONES

- 11.1 The key milestones identified for delivery of this project are as follows:

Securing planning permission	Received 25 th April 2019
Procurement process completed and contracts awarded	Completed 29 th November 2019
Contract variation to be agreed with BAM	Timescales to be confirmed by UoL
Works commence in fitting out the third floor	3 rd August 2020
Completion of works	31 st March 2021
Commencement of education activity	September 2021

- 11.2 As referred, the above programme is at a relatively advanced stage and slippage in terms of the physical delivery of the building is therefore considered to be unlikely; however, will be monitored by the university as part of the overall construction contract for the delivery of the Medical School.
- 11.3 On the basis that the works are intended to be delivered by BAM, timescales are required to be agreed for agreeing and putting in place a contract variation for delivery of the specific project. This will also need to take into account the proposed phased delivery of the centre and this also requires to be clarified by UoL and a condition of any investment approved.

12.0 RISK ASSESSMENT

- 12.1 The UoL has undertaken a detailed risk mitigation and key risks are detailed in the table below:

Risk	Likelihood Low Medium High	Overall Impact Low Medium High	Mitigation	To be a condition of funding? Y/N
Match funding is not secured	Low	High	Match funding from the University is confirmed through its short to medium term staffing plans. This could be impacted by changes in level of overall income and will be monitored for impact.	No
Match funding for the balance of the capital	Medium	High	UoL manage significant programmes for development and ongoing expansion of the university and have expertise in securing capital funds from a range of sources. It is	No

works is not secured			therefore the university's intention to seek to secure the balance of funds necessary for the delivery of the scheme in its entirety; however, if this is not achievable in the short term the university will phase delivery over a longer period of the project as proposed.	
Contract variation not agreed with BAM	Low	High	Delivery of the scheme would be required to be undertaken by a third party contractor and would need to be subject to a tender process. This could impact on timescales for delivery and would require to be monitored with GL LEP so as to ensure that SLGF is spent prior to the March 2021 deadline.	Yes
Failure to obtain necessary planning permissions and consents	Low	High	The Centre is within the Lincoln Medical School, which has secured full planning permission. This still requires the discharge of specific conditions to achieve final approvals, which will be monitored through the project steering group.	No
Project costs higher than anticipated	Medium	High	The capital costs are based on estimates from the Lincoln Medical School procured contractor, which will be monitored through the project steering group. A value engineering strategy will be employed should costs escalate. Appropriate contingencies have been built into the budget at this stage. The university to confirm they will underwrite any cost increases on the project.	Yes
Low uptake of facilities and services	Low	High	Research has indicated strong unmet demand for the project and suggests that take up of the services delivered through the capital build will be a low risk issue. Should demand be lower than anticipated the University will devote additional resources to marketing the services to a wider audience	No
Loss of key staff	Medium	High	As a large institution the University anticipates a churn of staff within key areas and has developed procedures to ensure continuity of business. The project development and delivery teams will form a project steering group (Client Review Group) as shown in the project milestones to ensure that information and experience is effectively archived	No

12.2 The primary risks to this project are considered to be the delivery of outputs and whether the project will be completed in totality given the lack of SLGF funding and the need for the UoL to find the shortfall. It is noted that in the event that the full scheme as currently proposed is not deliverable over phases, GL LEP should be protected from any shortfall in outputs due to a reduced number of outputs being agreed, commensurate with the reduced amount of funding available.

12.3 Future assessment in terms of output delivery will be subject to ongoing GL LEP monitoring in accordance with standard arrangements.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

- 13.1 The project is at a relatively advanced stage and therefore the conditions that have been identified through this due diligence process are as follows:
- i. A satisfactory cost appraisal is completed by RLB – pre-contract.
 - ii. UoL to provide a State Aid report to verify that the scheme is in compliance with regulations – pre-contract.
 - iii. UoL to provide a copy of the contract variation and confirmed construction costs for fitting out the third floor for the scheme as proposed – pre-drawdown.
 - iv. UoL to provide details of the proposed phases of the scheme and associated programme for delivery – pre-drawdown
 - v. UoL to provide written confirmation that in the event that capital costs of delivering the centre are in excess of GL LEP funding that UoL will meet any cost increases in this regard – pre-contract.
 - vi. An updated programme for delivery of the subject scheme to be provided by UoL, once the contract variation has been agreed and is executed with BAM Construction – pre-drawdown.
 - vii. UoL to commit to undertake engagement in the rural areas in accordance with GL LEP's investment committee direction.

14.0 CONCLUSIONS

- 14.1 The Centre for Innovation in Rural Health is proposed to drive growth and projectivity throughout the health and care sector, injecting higher level skills and innovation for the benefit of the entire supply chain.
- 14.2 The centre is at an advanced stage ready for delivery, comprising an integral element of the Lincoln Medical School which is currently under construction.
- 14.3 The scheme has been devised by UoL working to engage and consult with a broad and diverse range of public and private sector organisations within the health and care sector in Lincolnshire so as to maximise prospects for successful implementation, operation and sustainability of the centre post-practical completion of the works.
- 14.4 The scheme is therefore deemed to be highly deliverable, subject to conditions being met, which are identified within Section 13 of this report.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that £1,256,960 be approved by the GL LEP Board, subject to the conditions being met detailed in Section 13 above.

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