



LEP INVESTMENT COMMITTEE

20th March 2020

By Telephone Conference Call

Draft Minutes

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Present:

Board Directors: Pat Doody - Chair (Nat West), Cllr Colin Davie (LCC),
Cllr Philip Jackson (NELC),

LEP Officers: Halina Davies, Ruth Carver

Apologies: Cllr Rob Waltham (NLC), Chris Baron (Butlins), Andrew Crookham (S151 Officer), Linsay Hill Pritchard (Accountable Body)

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following:

Cllr Rob Waltham, Chris Baron, Andrew Crookham, Linsay Hill Pritchard

There were no declarations of interest for the items being discussed.

Full declarations of interest can be found at

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

The board 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.

Invest and Grow Loan to International Bomber Command Trust

Committee members were provided with an overview of the current situation regarding the existing Invest and Grow loan to the Bomber Command Memorial Trust. The loan agreement period is coming to an end and the organisation is in a different position to what it had anticipated at this point in time, having to deal with the passing of two guarantors and the potential longer term impact of COVID-19.

There has been a continued dialogue with the loan recipients and advice has been sought from both external consultants Thomas Lister Ltd and Legal Services Lincolnshire with regard to the most viable and sustainable way forward.

Having carried out due diligence a new loan agreement was not considered the best solution, hence a variation to the existing agreement under commercial terms was discussed in more detail, taking into account the HSBC 1st charge on the property.

The Committee was asked to consider the following recommended option:

- An award of de minimis funding of 180,000 Euros, currently £157,024 to IBCC, which will reduce the amount of outstanding debt to £592,976. Such award shall be drawn from the flexible funding that can be used for loans, grants and other areas of expenditure as set out in paragraph 3.3 of Paper 4.2.

- A variation to the existing loan agreement for the remaining amount so as to enable an extension to the loan repayment over a three year period to be put in place, subject to all of the conditions set out in paragraphs 5.3 and 5.4 of Paper 4.1 being met. The amount of loan will be approximately £592,976 (subject to exchange rates). Such variation shall be subject to the agreement of LCC as accountable body.
- Given the rapidly changing global circumstances and the likely implications of Covid-19 for the Trust's income streams, the Board were asked to endorse the need for flexibility to defer interest for up to 6 months, in principle. Such flexibility, if needed, shall be brought back to the Board for approval.
- Any 2nd charge on the property via Lincolnshire County Council as Accountable Body would be dependent on HSBC being agreeable and being prepared to take forward their charge at the same time should the need arise.
- IBCC will obtain written confirmation from HSBC that the terms and conditions of their loan are being fully met, and will share it with GLLEP accordingly.
- The Committee was mindful that due to COVID-19 restrictions, the business will now have an enforced long period of closure with no visitor contributions and the LEP will need to remain supportive. A six month interest free period was suggested as a possible solution within the overall package of support.

Decision

Recommendation within the paper was fully supported, with a 2nd Charge being introduced on the property, and a package of short term supportive measures in response to COVID -19 impact to be introduced.

Discussion on impact of COVID-19

There was a discussion held on how the LEP might help bridge the gap between key local issues and emerging government support mechanisms to businesses. It was noted that councils are currently trying to manage the crisis and that any support the LEP can give to help get advice out to businesses quickly will be greatly welcomed.

It was suggested that a weekly dial in for the GLLEP Board would help everyone co-ordinate their efforts, respond to weekly government/NHS advice and share briefing on the latest intelligence. It would enable Board members to act as ambassadors for the area and get messages out to businesses quickly, in addition to sharing new ideas/solutions during the outbreak.

The LEP are already working directly with the Growth Hub in responding to businesses and the LEP CEO is Chairing a Business Cell.

Key issues already emerging and areas with potential for collaborative input include:

- Unloading, packaging and distribution of food
- Lack of production line staff
- Uncertain employment for seasonal staff in coastal areas
- Closure of caravan park facilities in coastal areas but 30% occupancy - pressure on local health services
- Ageing population - potentially higher number of people critically affected in Greater Lincolnshire
- Tourism sector effectively closed for business for several months - key local sector for Greater Lincolnshire, significant number of related businesses

From Monday a local helpline will be in place for businesses covering issues and highlighting opportunities.

Our BEIS representatives are involved in weekly reports on local economies to central government and will capture Greater Lincolnshire's position with regard to information and intelligence, particularly where vulnerable sectors are concerned.

It will be important to continue to co=ordinate business support activity through the Growth Hub even on social media to avoid confusion and keep a consistent message.

The board acknowledged the LEPs 4 key messages and that these will be reviewed and updated on a weekly basis.

Decision

Weekly LEP board member briefing to be arranged and subsequent emerging messages to be actioned/disseminated every Friday to our business community.

Next Investment Board Meeting

To be confirmed via email as required.