

INVEST AND GROW BOARD MEETING

14th FEBRUARY 2014 10am-12pm

THE BEECH ROOM, CITY HALL

	ACTION
<p><u>Present:</u> Board: Ursula Lidbetter, Councillor Davie, Councillor Redfern, Herman Kok, Mark Tinsley. Officers: Ruth Carver, Richard Wills, Paul Wheatley. Visitors: Rachel Lister, Paul Thomas, Beverley Agass,</p>	
<p><u>Welcome by the Chair – Ursula Lidbetter</u> <u>Apologies, Declarations, Minutes and Matters Arising</u></p> <p>The Chair welcomed the board. Apologies from Chris Baron.</p> <p>A question arose over the detail of the minutes of 15th April 2013 and why the details of the loan agreement were not included. After discussion it was agreed that items referring to the terms of Loans were commercial in confidence and therefore a redacted version would be circulated and published The minutes were approved.</p>	
<p><u>Paper 1 – PROGRESS ON INVEST AND GROW FUND TO DATE:</u></p> <p>An brief update was given on the fund. The funds stands at £9.6M with 2% operating costs. 30% of the fund has been invested. However there were a number of large projects in development</p> <p>1 loan had been approved - Mablethorpe Golf Road. £2.9 million 1 Loan was ready for approval – Sleaford Pedestrian Bridge £1.5 million 2 full applications were due in shortly for Grantham Southern Relief Road £3.5 million, and Boston £2.5 million 2 Proposals for revenue funding are to be considered today.</p> <p>The Invest and Grow Fund is open for expressions of interest at any time.</p>	To Note
<p><u>Paper 2 – Updates on Current Applications:</u></p> <p><u>Application for Boston – Mixed Use Development Site £2.5M loan</u> Rachel Lister gave an update on the scheme having recently met the applicant Chesnut Homes. Progress is good and an application should be in within in 5-6 weeks The plans were shared with the Board, and a brief discussion was held.</p> <p>Questions that should be addressed in the applications were as follows:</p> <ul style="list-style-type: none"> • Long term funding for the Football Club • Clarification and evidence of commitment of the Funds provided by Boston Borough Council • Had a retail assessment of Boston been undertaken recently 	RL

Paper 3 – Viability Pot

Approved

A proposal to use some of the revenue funding to develop a loan fund that support viability funding was discussed and approved. The following recommendations were supported, and the Secretariat were tasked with developing a process to take the viability pot to market.:

- All investment to be made by way of a loan and is to be fully repayable along with a rate of interest. Repayment can be agreed in relation to the eventual occupation/disposal of the completed project subject to a longstop date.
- Funding sought from the LEP to be demonstrated to be as a last resort in order to meet project feasibility costs.
- Applicants must be able to demonstrate that the project has advanced beyond concept stage and that funding sought is to enable the final feasibility to be completed. Ultimately the applicant must be able to demonstrate that the funding of such feasibility will enable the project to move to implementation stage.
- Match funding at a minimum of 50% must be provided by applicants. It is noted that some of this match funding could relate to costs of procuring any project feasibility to date.
- The maximum amount of funding which can be applied for is £150,000.
- Eligible costs for which funding can be sought are all those site investigations, study and professional fees associated with design and securing planning consent. Ineligible costs are specifically identified as some holding costs of sites, internal applicant costs and site acquisition. Although clearly to some extent; all costs applied for will need to be considered on a project by project basis.
- A key stage application process is put in place with an EoI as a first stage and a more detailed application process to follow. Applicants will be required to provide all information to enable the due diligence to be undertaken, however it is clearly not intended for information to be provided or the due diligence process to be onerous in any way and this will need to a clear instruction to the technical appraisal team.
- Clear and robust timescales for undertaking all of the required feasibility and for the implementation of the proposed scheme are to be provided.
- Any issues and/or conditions which impact upon the delivery of the proposed scheme are to be clearly identified along with mechanisms as to how such issues are to be addressed.
- A loan agreement will be required to be entered into in respect of any funding offered from the LEP in accordance with due diligence and governance arrangements.
- Copies of all completed feasibility reports and studies are to be provided to the LEP upon completion.

The board asked officer to work up a detailed proposal and bring back to a future investment board.

Paper 4 – DUE DILIGENCE ON SLEAFORD PEDESTRIAN BRIDGE:

Rachel Lister talked the Board through the loan application for the Sleaford Pedestrian Bridge. **The application was approved subject to the following conditions:**

A successful CPO

Full and detailed costs being approved and within budget Detailed specification and breakdown of costs for constructing the new footbridge once the detailed site investigations being undertaken by Network Rail are completed and detailed design of the bridge has also completed. This is anticipated to be concluded by the end of March 2014.

<ul style="list-style-type: none"> • Approval of the Accountable body • A Legal agreement • The offer of loan funding from GLEP at £1.5 million is fixed with any cost increases over and above current estimated costs to be funded by NKDC or through other funds that they are able to procure. • Provision of a detailed programme for delivery of the project in its entirety including submission of planning application and anticipated approval, date for the CPO Inquiry, completion of the detailed design process and procuring the construction works by way of competitive tender. In addition a detailed programme for the construction works will also require to be provided • The loan is to be drawn down against defrayed construction expenditure based on actual expenditure incurred during the preceding months. • Any Section 106 payments received from developments benefiting from and required to contribute towards the cost of the footbridge, are to be utilised and paid to GLEP upon receipt as loan repayments. • The loan to be repayable in full along with interest accrued by the longstop date of March 2020. NKDC to guarantee repayment of the loan and all interest accrued by the longstop date in the event that Section 106 payments are not received to a sufficient level to enable repayment of the loan. • An obligation within the loan agreement that the applicant will report back for a period of five years post completion of the works in respect of performance of the project, delivery of schemes benefiting from the new bridge and associated outputs delivered. 	
<p><u>Paper 4 – SITES AND PREMISES STUDY:</u></p> <p>LCC have asked for a £25,000 contribution from the LEP to a Greater Lincolnshire Sites and Premises Study. It was agreed that this contribution can be made, but that the commission should come from GL and work very closely with the Humber LEP</p> <p>Paul Wheatley was tasked with exploring the options and deliverables, and circulating a final version for approval to the Invest and Grow board.</p>	<p>LCC – PW to take forward</p>
<p><u>Paper 5 – UPDATE ON THE GRANTHAM GATEWAY PROJECT:</u></p> <p>A presentation was given by South Kesteven District Council, Beverly Agass, Chief Executive and Paul Thomas, Head of Development and Growth.</p> <p>Questions were raised about demand, remodelling the town centre to support economic growth, flood risk and widening the A1</p> <p>The Invest and grow board were very supportive of the work undertaken by SKDC and LCC around Grantham, and looked forward to receiving an updated application in which to consider the funding.</p>	
<p><u>AOB</u></p>	

RW updated the invest and grow board on the recent challenge session and the task ahead on the SEP

The next meeting will be call as and when required