



**Greater Lincolnshire LEP Investment Board**

**21<sup>st</sup> July 2016**

**William the Conqueror Room, Lincoln Castle (Prison Building)**

**Paper 1.0**

<p><b><u>In attendance:</u></b></p> <p><b><u>Board Members:</u></b> Ursula Lidbetter (UL); Cllr Peter Wheatley (CllrWh); Cllr Colin Davie (CllrD); Cllr Rob Waltham (CllrWa); Mark Tinsley (MT); Herman Kok (HK); Richard Wills (RW)</p> <p><b><u>Board Support:</u></b> Ruth Carver (LEP - RC); Halina Davies (HD); Lindsay Hill-Pritchard (LHP)</p> <p><b><u>Apologies:</u></b> Cllr Liz Redfern; Justin Brown; Pete Holmes; Chris Baron</p>	<p>Actions</p>
<p><b><u>Welcome by the Chair – Ursula Lidbetter</u></b> The Chair welcomed everyone in attendance. It was noted that the Board could be regarded as quorate for all matters.</p> <p><b><u>Declarations</u></b> UL and HK declared an interest in Lincoln Transport Hub CllrWa declared an interest in Northern Junction</p> <p><b><u>Minutes</u></b> Minutes of the last meeting will be presented for formal approval at the September Investment Board.</p>	<p>LEP Secretariat</p>
<p><b><u>Growth Deal Programme Update</u></b> HD informed the Board that a further two Growth Deal Grant Funding Agreements have been signed – Grantham College and Lincolnshire Lakes.</p> <p>HD stated that there will be an underspend for the Grantham Southern Relief Road scheme due to a revised planning permission taking longer to achieve for Phase II and Highways England approval of line orders and diversion of a public right of way still being awaited, so it could be the end of September before the contract is awarded and at best a November start on site. A solution to the underspend will be provided in a paper at the next Investment Board meeting.</p>	<p>HD/LHP</p>
<p><b><u>Boston Quadrant</u></b> Approval sought for £1,000,000 Single Local Growth Funding to facilitate development of 100 affordable housing units within Phases 1 and 2 of the Boston Quadrant development. Outline planning permission is in place and the Due Diligence Assessment provides a breakdown of the phases and details of the mix of affordable rent and shared ownership units.</p> <p>The approach adopted by GLLEP in relation to the Invest and Grow loan and the previous SLGF grant (public infrastructure) has preserved a balance of the scheme's outputs for this project. Outputs relating to apprenticeships and indirect jobs created have been claimed in full already with nothing to claim for this scheme. However, all 100 affordable housing units can be attributed to this project.</p>	

This is a mixed use development being undertaken by a private developer. Particular attention has been paid to ensure that only eligible costs are included in the project appraisal, and to identify any potential for the commercial elements of the scheme to cross-subsidise delivery of the affordable housing. The Due Diligence Assessment has identified developer profits at levels significantly below standard industry rates. It has further demonstrated that there is no ability for the market housing to cross-subsidise the affordable dwellings; and that commercial development in this location is not anticipated to make development profit at a sufficient level to enable any cross-subsidisation to occur.

HK queried the viability levels and how we can ensure that any changes are closely monitored. HD stated that the viability gap funding identified as part of due diligence in relation to mitigation of flood risk will be checked by the Accountable Body as the scheme progresses and claims are submitted, as per the remainder of the Unlocking Rural Housing Programme.

CllrWh asked how often scheme progress reports were requested to enable confirmation of costs, LHP explained that this would be quarterly.

HD stated that all outcomes and outputs will be reported at the end of the project delivery.

Project Approved.

**CllrD returned to the meeting**

**CllrWa declared an interest and left the meeting**

**Northern Junction Roundabout**

Approval was sought from the Investment Board to proceed to contracting on Northern Junction Roundabout scheme in Scunthorpe.

At the January Investment Board, members were asked to endorse "in principle" the proposal to reallocate £2.9m of growth deal funding from Berkeley Circle to Normanby Enterprise Park 7 and Northern Roundabout infrastructure enhancements, adjacent to the new football ground location and north of Lincolnshire Lakes. The Due Diligence appraisal provided for consideration applied to the second of these projects and £1.9m of Growth Deal grant.

The Northern Junction works, along with those to be undertaken by NLC/Highways England include:

- A terminating junction to be created in the vicinity of Brumby Common Lane over-bridge, with new infrastructure to some villages 1 to 5 to be delivered by Lucent over land forming part of their comprehensive land ownership.
- The creation of a new east-west link running from the terminating junction to Scotter Road, being the cornerstone of the masterplan for the wider Lincolnshire Lakes scheme and allow Scunthorpe United to develop the site.
- Construction of the new roundabout.
- De-trunked M181
- Works to retained section of M181 to reduce speed limit.

<p>The primary objective of the proposed works, in addition to servicing the Lincolnshire Lakes wider development, is:</p> <ul style="list-style-type: none"> <li>• To encourage safe and efficient dispersal of vehicle movements into the local highway network, with natural resilience in the local route network with a choice of routes available for key destinations.</li> <li>• Divert traffic away from the Doncaster Road/Berkeley Circle junction, providing sustained and much needed congestion relief.</li> <li>• Provide a deliverable solution as the junction is located on land that is in a single landowners responsibility, who is supportive of the Council aspirations for the Lincolnshire Lakes Area and is prepared to provide the land for free to implement the junction.</li> </ul> <p>This is a strategically important project that will have a clear economic impact and will enable further significant private sector investment in the area.</p> <p>HD to clarify to members the position of the de-trunking of the M181.</p> <p>Project approved.</p>	<p>HD to email</p>
<p><b><u>CLlrWa returned to the meeting</u></b></p>	
<p><b><u>UL and HK declared an interest and left the meeting, MT took over as Chair</u></b></p>	
<p><b><u>Lincoln Transport Hub</u></b></p> <p>Approval sought from the Investment Board to proceed to contracting on the Lincoln Transport Hub scheme subject to DfT Ministerial approval of the project.</p> <p>Following the re-design of the scheme in November 2015 when the cost of a new railway bridge design proposal from Network Rail made the existing scheme undeliverable, a revised scheme was submitted to DfT on 6<sup>th</sup> June 2016. The DfT appraisal process is well underway and a ministerial decision on whether or not the scheme will be supported is expected in late July. The business case includes strategic, economic, financial, commercial and managerial details and will be subject to rigorous analysis. Full due diligence appraisal has also been carried out on behalf of the LEP.</p> <p>CD asked whether SLGF would be funding retail and housing. HD stated that whilst some housing and retail elements are linked to the bus station development, SLGF will not be funding the delivery of the employment Block A or the multi-storey car park.</p> <p>HD said that an initial state aid report has been received from COLC and that our external appraisers did not envisage any issues as GLLEP have no input into the car park part of the scheme. A further report on state aid in relation to SLGF is however still awaited from COLC and will be included as a condition if not provided by the time the grant funding agreement is signed.</p> <p>Project approved.</p>	

**Any Other Business**

None.