



Greater Lincolnshire LEP Investment Board

23rd March 2017

**Wilkin Chapman, Cartergate House, Chantry Lane,
Grimsby**

Paper 1.0

<p><u>In attendance:</u> <u>Board Directors:</u> Ursula Lidbetter (Chair); Cllr Colin Davie, Cllr Rob Waltham, Cllr Peter Wheatley; Chris Baron; Mark Tinsley; Richard Wills <u>LEP Board Support:</u> Ruth Carver; Halina Davies; Cathy Jones; <u>Accountable Body</u> : Linsay Hill-Pritchard <u>Observers:</u> Pete Holmes; Melanie Crunkhorn <u>Apologies:</u> Herman Kok</p>	<p>Actions</p>
<p><u>Welcome by the Chair – Ursula Lidbetter</u> The Chair welcomed everyone in attendance. It was noted that the Board could be regarded as quorate for all matters.</p> <p><u>Declarations of Interest</u> UL declared an interest in Boole Technology Centre, Lincoln Transport Hub and Meadow Way, Old Leake. Cllr Davie declared an interest in Holbeach Peppermint Junction and Skegness Countryside Business Park</p> <p><u>Minutes</u> Minutes from the meeting held on 27th January 2017 were agreed and can be published on the website following minor amendments.</p>	<p>LEP Secretariat</p>
<p><u>Growth Deal Update Report</u></p> <p><u>Progress</u> Of the £47.9m government growth deal expenditure target for this financial year, GLLEP is currently on track to achieve £45.1m though this is subject to change. Mitigation measures have been applied where possible utilising freedoms and flexibilities previously agreed and the Accountable Body is estimating a capital offset figure this financial year of £9.3m. Actual outturn figures will be confirmed at the 26th May Investment Board. The main slippage has been due to unforeseen delays, many of which have been related to decision processes with statutory agencies and utility companies. Future profiling should take an early account of potential risks where possible, factoring in additional time for project delivery and outcomes where necessary.</p> <p><u>Growth Deal 3</u> On Thursday, 9th March, Government announced an allocation of £392m of Single Local Growth Funding to LEPs across the Midlands of which £29.45m applies to Greater Lincolnshire. A final profile for Growth Deal 3 is awaited from government to enable forecast adjustments to be made to the wider programme for 2017/18 onwards.</p> <p>Cllr Colin Davie and Richard Wills left the room</p>	

Skegness Countryside Business Park

A variation to the existing contract will be required relating to servicing of 1.1ha of land on the site. LCC was originally to purchase and service this section of land, but it will now remain in Croftmarsh's ownership. This will not affect scheme outputs or the workspace development proposed by LCC on another area of the site. An external appraisal of the proposed changes has been carried out to ensure continued value for money and compliance. The resulting report recommended that the variation be incorporated into the existing contract. A Formal variation request will be considered by the Accountable Body next week.

There are some delays due to an outstanding legal agreement between Croftmarsh and LCC. Though the agreement should be resolved by 15th May, it is likely that the main contract works will not be able to proceed in earnest until September because of summer restrictions on road closures in this area. Some preparatory work could begin in July/August however.

Holbeach Peppermint Junction

Tenders have been received and assessed and the lowest tender from Eurovia will be awarded in the week commencing 20th March.

The overall cost has come in slightly below the original tender estimate, which is of course good news. The original estimated scheme cost was £5,435,000 with growth deal funding contributing £2.4m. We are now looking at a tender figure of £4,800,899. Impact on overall programme leverage is not a concern given that the original programme leverage target is forecast to be greatly exceeded despite this variation. There was a discussion about what should happen to the reduction of £634,101 and it was agreed that the contributions from GLLEP and LCC should be reduced proportionately.

Cllr Davie and Richard Wills returned to the room

Fee Charging Arrangements

Board members are asked to consider fee charging arrangements in relation to Single Growth Fund 3 and future Invest and Growth Fund bids.

Members endorsed a percentage charge of 0.5% based on the amount of funding sought and secured for each new Growth Deal/Invest and Grow scheme. This will in the main reflect the relative complexity of each scheme and ensure that the changes applied are commensurate with the level of technical work and expertise required in appraising the respective applications. Most schemes take an average of two years to complete (some longer), requiring programme management for the whole of that period.

Grantham College STEM Building 20 Funding

The Grantham College STEM Building 20 project was allocated £2.3m growth deal in October 2014. It subsequently was approved in March 2016 and contracted in June 2016. The College purchased the former Police Station 4 acre site opposite the main college in July 2012 using cash reserves. The site was cleared in late 2016 ready for development to take place and tenders for the main build were received back in February 2017, however, the lowest tender came in £1m over budget. The project aimed to create a new build housing the Business, Computing, Media and Technology curriculum underpinned by cross college support for developing enterprise and employability skills for local people. The college has advised the LEP that it is unable to increase its level of borrowing against the scheme. The decision on whether the college should proceed with the project was taken to the College's Board of Governors on the 7th March and it was confirmed to Greater Lincolnshire LEP soon

<p>afterwards that the match funding required could not be found and that the project should be withdrawn from the Growth Deal programme. A small amount of funding, totalling £159,084, has already been claimed and released to the applicants in 2016/17 and will be recovered in due course by the Accountable Body. All other expenditure to date has been met by the college itself.</p> <p>As the £2.3m will not be spent as forecast in 2016/17, there is an opportunity to bring forward another approved scheme within the existing growth deal programme to ensure that the allocation can still be spent in 2017/18 and 2018/19.</p> <p>With regard to what happens with the £2.3m growth deal allocation, the following sequential approach was endorsed by the Board:</p> <ul style="list-style-type: none"> ➤ The LEP Executive will explore additional funding to deliver the scheme, ie, EU funding, other partners. Options may include a smaller scale scheme. ➤ A similar project responding to local need is invited for submission from stakeholders/businesses in the Grantham and surrounding area. ➤ The £2.3m is reallocated to an existing Growth Deal 3 scheme that did not receive all the funding it requested. ➤ The £2.3m would be reallocated to the next priority pipeline scheme within the Growth Deal 3 bid, which would be the Housing Viability Gap funding programme. ➤ An open call for growth related schemes. 	
<p><u>Invest and Grow Fund</u> <u>Grange & Links Hotel and Golf Course at Sandilands</u> Greater Lincolnshire LEP has received an Expression of Interest for an Invest and Grow loan from GrangeLinks Property Ltd for a development at the Grange and Links at Sandilands, Sutton on Sea.</p> <p>The project total is approximately £3.3m and the amount sought is £1.5m for Phase 1. The purpose of the loan is to finance a development of 24 flats, retail units and a community access swimming pool and health suite on a site adjoining the Grange and Links Hotel and Golf Course. The applicant has identified constraints relating to flood risk, planning constraints and impact of the 2008 credit crisis.</p> <p>The Board acknowledged the potential economic significance of the scheme to the local area. However, they identified concerns relating to deliverability and risk, and noted that the outputs were relatively modest for a potential £1.5m investment. After considerable discussion, they agreed that the proposal was not strong enough to justify asking for a full application.</p>	
<p><u>Any Other Business</u> None</p>	
<p><u>Date of Next Meeting</u> Friday, 26th May 2017</p>	