

<p><b><u>In attendance:</u></b>  <b><u>Board Members:</u></b> Ursula Lidbetter (Chair); Cllr Colin Davie, Cllr Rob Waltham, Cllr Peter Wheatley; Chris Baron; Herman Kok; Mark Tinsley; Richard Wills  <b><u>Board Support:</u></b> Ruth Carver; Halina Davies; Cathy Jones; Lindsay Hill-Pritchard  <b><u>Observers:</u></b> Pete Holmes; Vicky Wheelwright  <b><u>Apologies:</u></b> None</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 declared an interest in Boole Technology Centre, Lincoln Transport Hub and Meadow Way, Old Leake            HK declared an interest in the Agri-Food Centre of Excellence and then left the meeting.            Cllr Waltham declared an interest in Employment Zones            Cllr Wheatley declared an interest in Access to Employment Zones            Cllr Davie declared an interest in Holbeach Peppermint Junction, Invest and Grow Scheme proposal and Skegness Countryside Business Park</p> <p><b><u>Minutes</u></b>            Minutes from the meeting held on 24 November 2016 were agreed and can be published on the website.</p> <p><b><u>Points raised from Minutes</u></b></p> <ul style="list-style-type: none"> <li>An update on Skegness Countryside Business Park given – Work is about to commence on site now that issues regarding the water supply have been resolved.</li> </ul> <p><b><u>HK left the meeting</u></b></p>	<p>LEP Secretariat</p>
<p><b><u>Growth Deal Update Report</u></b>  <b><u>Annual Conversation</u></b>            HD and the Chair updated the IB on the annual conversation with Government on 5<sup>th</sup> December 2016. A note of the meeting has been circulated, present were BEIS, Greater Lincolnshire LEP and LCC as the Accountable Body. It was a positive meeting, and a number of growth deal delivery and management related topics were discussed.</p> <p>In terms of year end performance of growth deal, agreed actions have been put in place and these will be subject to review until the end of the financial year. Progress against delivery of the programme will be monitored closely over the next three months and it will be extremely important that grant claims are submitted in a timely manner by partners to ensure that the annual programme target and release of future funding are not compromised.</p>	

**Growth Deal 3**

A verbal update was given with regard to the SLGF3 allocation, formal announcement is likely to be made soon.

**Invest & Grow**

A contract is now in place for the agreed loan to Stokes Ltd and a first payment is imminent following a construction early January inception meeting with Stokes and their representatives. £1.9 of the original loan fund remains available for lending. Once expression of interest has been received and will be discussed later in the meeting.

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**UL left the room for this update item**

**Growth Deal Progress**

Forecast project slippage of £18.9m within the growth deal programme was identified at the November Board meeting. However, as previously agreed, risk management and freedoms and flexibilities will be utilised to ensure that government targets can be met. Monthly monitoring discussions are taking place with the Accountable Body. PH said that once GF3 funds are announced, there is likely to be an opportunity to phase the allocations within the existing programme, thus potentially helping further with the management of existing slippage.

Lincoln Transport Hub – Work is progressing well on site and is on programme. The first payment claim of £4.8m has been received and is well evidenced. The Board endorsed an increase in intervention rates for the scheme for this year only to help manage programme expenditure. These changes will be balanced accordingly in 2017/2018.

**UL returned to the room**

Normanby Enterprise Park – The Highways team at North Lincolnshire Council have recommended that the roundabout originally included in the scheme design should be omitted and, with a minor amendment to the line of the roadway, the estate be serviced by a single road. The cost of this scheme will not alter and a Variation of Contract is being drawn up.

Northern Junction- Tenders for the main works contract are due to be issued before the end of February. Unfortunately, this means that work on site will not commence until May/June and that the £900,000 previously forecast for 2016/17 is unlikely to be achieved in this financial year.

Grantham College – Project is moving ahead as planned and tenders due back very soon. A contract could be in place for the main works by the end of January.

**Cllr Peter Wheatley and Chris Duffill left the room for this item**

**Access to Employments**

At the Investment Board held on 24<sup>th</sup> November, the Board members agreed to delay until the end of January, a final decision on whether the Access to Employment Zones North East Lincolnshire scheme should progress with growth deal funding support. This project consists of a series of junction improvements on key access routes to and from Grimsby. Local

<p>politicians discussed project design concerns at a full Cabinet meeting on 18<sup>th</sup> January and the outcome was as follows:</p> <ul style="list-style-type: none"> <li>• Toll Bar junction – decision made for replacement of existing roundabout with a signalised crossroads (the option recommended by Officers) – called in for the Scrutiny Committee to be held on 1 February.</li> <li>• Littlecoates Road/Cambridge Street (£0.7m) – to go ahead as planned in next financial year.</li> <li>• Nuns Corner (£1.8m) – replacement of the existing roundabout with a full-sized signalised roundabout junction (not the recommended option, but the next preferable option) – to go ahead as planned in next financial year.</li> </ul> <p><b><u>Board members approved the continuation of the scheme in principle pending a final decision from the Scrutiny Committee.</u></b> Should Toll Bar be given permission to proceed as planned, a phased approach was agreed to the wider scheme with Toll Bar being contracted as Phase 1, and the remaining two schemes being externally re-assessed in 2017/18 once the new designs are available.</p> <p><b><u>CLlr Peter Wheatley and Chris Duffill returned to the meeting</u></b></p>	
<p><b><u>Fee Charging Arrangements for GLEP Funded Projects</u></b></p> <p>An update was given to Board Members regarding fee charging arrangements in relation of SLGF3 and Invest and Grow Fund and endorsement for the revised approach was sought.</p> <p>Due to an increase in professional fees being expended, ie, appraisals, legal costs, administration and Accountable Body, it is proposed to introduce charges to cover the additional costs to the LEP. Fee charging has already been implemented in several LEP areas, including D2N2, Northamptonshire, Greater Birmingham and Worcestershire.</p> <p>Local partners and Government remain committed to the LEP agendas as a means of future growth and prosperity to local areas. At the same time, core funding from Whitehall for direct LEP secretariat resources is like to be reduced in future years, and this places greater emphasis on the need for LEP areas to generate increased funding for support from local partners in order to maintain appropriate delivery, contracting and monitoring arrangements for all programme activity.</p> <p>Board members were in favour of a flat % rate to be applied to all schemes and officers agreed to bring a revised paper to the next Investment Board meeting demonstrating existing costs and suggesting what level of % might be appropriate to apply.</p> <p>PW suggested that the amount generated should reflect the amount needed for cost recovery. It was agreed that a comparison would be made from the previous year's data, and acknowledged that the cost recovery model may reduce initial percentage levels suggested.</p> <p><b><u>A revised report would be brought to the next Investment Board</u></b></p>	
<p><b><u>CLlr Colin Davie, LCC, left the meeting</u></b></p> <p><b><u>Holbeach Peppermint Junction</u></b></p> <p>The Board was asked to consider the due diligence report for Holbeach Peppermint Junction electronically in February with subsequent sign-off by the Chair, should the scheme</p>	

allocation be endorsed to proceed. The report was not completed in time for the 27 January meeting; however an overview of the scheme was presented to the Board by HD in advance of the final cost appraisals being made available.

The highway works at Peppermint Junction are required to unlock growth opportunities in Holbeach and have been granted a growth deal allocation of £2.4m. The highway works will provide a number of additional benefits, including road safety improvements, improved traffic flow on the A17 and reduced traffic flow through Holbeach town centre. They will also release land needed for the creation of the FEZ, enabling employment growth through the provision of approximately 59,000m<sup>2</sup> of new employment space.

**Electronic Approval Permission – All agreed to consider the due diligence electronically informing HD and the Chair of any objections/queries.**

**Feasibility Grant Fund Recommendations**

A report was received from Cathy Jones concerning the latest round of feasibility funding made available by the LEP. The recommendations within the report were endorsed by the Accountable Body, and the recommendation to award the £160,000 budget to the 5 highest scoring schemes was endorsed.

13 applications were received with a total requested grant of £440,000 with only £160,000 available. LEP officers and the Accountable Body held a meeting to discuss and score each project and recommended which projects should go forward. The recommendation from officers to award the £160,000 budget to the 5 highest scoring schemes was endorsed.

Five applications were approved to contracting stage for the Feasibility fund. The projects were:

Project Title	Applicant	Total Feasibility Costs	Total grant allocation
British Steel Scunthorpe Development Feasibility Study and Masterplan	North Lincolnshire Council	£100,000	£20,000
Cleethorpes Station Quarter	North East Lincolnshire Council	£70,000	£55,000
Verge Biomass	Lincolnshire County Council	£100,000	£50,000
Advance Food Factory Scheme, Europarc, Grimsby	North East Lincolnshire Council	£110,000	£50,000
Feasibility Project for an Online Course for Self-Employment	Lincoln International Business School, University of Lincoln	£30,000	*£5,000

\*This scheme requested £10k but only £5k remains in the available budget. Lincolnshire County Council has indicated that it will contribute an additional £5k in march funding.

**Expression of Interest – Invest & Grow Loan Fund**

An Expression of Interest was received for Grantham KING Enterprise Village and agreement was sought to invite Haywood Estates to submit a full application. Haywood Estates are looking for £1.1m to convert the existing former quarry for use as an Enterprise Village,, which will offer freehold sales of improved plots within the site, enabling small businesses to develop their own premises. The applicant is seeking this loan due to a lack of available

<p>funding or bank finance for this type of relatively small but speculative infrastructure scheme. The grant will allow the project to be implemented in one single phase and the project will enable SMEs, individuals and entrepreneurs to secure commercial freehold sites that are full serviced and provide flexibility of layout to suit their business criteria.</p> <p>Subject to seeing the feasibility study, conditions from the due diligence report and the value of the land (which is CC owned), <u>the Board agreed that Haywood Estates be invited to submit a full application.</u></p>	
<p><b><u>Any Other Business</u></b> None</p>	
<p><b><u>Date of Next Meeting</u></b> Thursday, 23<sup>rd</sup> March 2017</p>	

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Chairperson

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Date