

Investment Board

Paper for Electronic Approval - Greater Lincolnshire Growth Fund

1. PAPER FOR APPROVAL

- 1.1 This paper seeks Investment Board approval for contractual commitment of GL LEP to the Greater Lincolnshire Growth Fund.

2. BACKGROUND INFORMATION

- 2.1 Launched in 2017, the £3m Greater Lincolnshire Growth Fund was created from re-paid loans and interest received from the Growing Places Fund for the delivery of a customised grant programme of growth funding support to stimulate business investment that would not otherwise occur, thereby helping to remove the barriers to private sector led growth and employment.

3. THE FUND

- 3.1 The grant funding is available for a period of three years from the programme start date, with an additional two years allowed for ongoing monitoring and reporting of project impacts. There are defined outputs which are specific to the Greater Lincolnshire Growth Fund programme and these will be used to measure the success of the supplier(s) in delivering the programme. The Greater Lincolnshire Growth Fund is open to Small and Medium Enterprises (SMEs) and larger businesses within the Greater Lincolnshire area, though there are certain restrictions on support i.e. state aid compliance.

4. THE PROCESS

- 4.1 The process for appraisal, delivery and monitoring of the fund was presented in detail and approved by the Investment Board on the 24 November 2017. Greenborough Management Ltd is managing the programme on behalf of the LEP and LCC via the Growth Hub, taking the proposed schemes from initial expression of interest stage through to contracting stage and subsequent monitoring. Due diligence is carried out externally using the green book appraisal process applied to all growth deal projects, and all recommendations are presented to the Investment Board for approval.

5. THE PROCESS

- 5.1 The first project under the auspices of the fund was approved to contracting stage at the 24th May 2018 Investment Board and the standard contractual agreement is attached for Board endorsement (see Appendix A). The contract requires GL LEP as core fund provider to act as third party signatory as per the Single Local Growth Fund, and indeed it has been based on the same principles.
- 5.2 This is a bespoke programme similar to the growth deal funded Skills Capital Investment Fund however on this occasion we are

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recommending that we retain the £3million as a balance on the LEP account and not enter into a separate contract and release the funds to Greenborough Ltd, the consultancy appointed to manage the programme.

The Skills Capital Investment Fund was contracted directly with Lincolnshire County Council who raise contracts with individual projects being funded by the programme. The process to contract and following contracting will be:-

- Thomas Lister Ltd provides due diligence reports for the Greater Lincolnshire Growth Fund with recommendations for the Investment Board to consider, and approval to contracting stage is sought.
- Once a project is approved, a contract template will be completed by Greenborough and then a final agreed version will be signed by the applicants, GLLEP and Lincolnshire County Council (LCC as accountable body). The LEP Programme Manager will co-ordinate this process.
- Post contracting the same claim forms will be used for the Greater Lincolnshire Growth Fund as are in place for Growth Deal.
- Draft guidance will be produced by the Accountable Body to share with Applicants, explaining how our claims process works and what they need to provide and by when.
- All monitoring (during and post-delivery) will be carried out by Greenborough Ltd as per their contract with the Growth Hub (already in place).
- Claims will go directly to Greenborough first for an initial check regarding eligibility and evidence provided.
- Claims will then be sent to the Accountable body for final checking and payment.
- An intervention rate will be applied to the claim payments so that match funding can be drawn down at the same time as grant for the project.
- Payment of grant will be on defrayal of expenditure.
- Regular progress/steering meetings in relation to the Greater Lincolnshire Growth Fund will be held between Greenborough, the Growth Hub team and the LEP Programme Manager.
- Reporting to GL LEP Investment Board on progress and monitoring of the Greater Lincolnshire Growth Fund will be provided by Greensborough Ltd.

Following this approach means that unlike for the Skills fund, GL LEP is required as a formal signatory for the Greater Lincolnshire Growth Fund as it currently is for the Growth Deal Programme. In other

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words, LCC is contracting with the applicant, and LEP is regarded as a funding partner. Lincolnshire County Council will be the accountable body for the funds, and the Greater Lincolnshire Growth Fund will run alongside other GL LEP programme funds. This correlates with the recently released LEP Review, demonstrating that GL LEP operates with Lincolnshire County Council as its single accountable body with responsibility for all LEP funding.

6. RECOMMENDATION

- 6.1 That the Board notes and endorses the baseline contractual agreement for the Greater Lincolnshire Growth Fund and agrees to act as a formal signatory on each contract relating to the programme.

Electronic Approval – Greater Lincolnshire Growth Fund Contracting Process

On the 7th August all GL LEP Investment Board members confirmed approval for the contracting process proposed in relation to the Greater Lincolnshire Growth fund and the wording of the baseline contractual agreement.

Electronic Approval – Made in Gainsborough

On the 7th August all GL LEP Investment Board members confirmed approval for £12,913 of GLLEP funding towards Phase 1 of the Made in Gainsborough Project under the auspices of the Gainsborough Growth Fund managed by West Lindsey District Council. A provisional allocation of £14,492 was also endorsed towards Phase 2 pending the success and impact of Phase 1 and relevant match funding being secured.

Electronic Approval – Europarc Food Enterprise Zone

Following receipt of an email on the 3rd August regarding achievement of pre-contract conditions, all GL LEP Investment Board members confirmed approval for the progression of the Europarc FEZ to contracting stage on the 7th August. A decision notice was subsequently issued to the Section 151 Officer and was signed on the 9th August. Cllr Wheatley was not consulted regarding this approval due to a conflict of interest.

