



**Greater Lincolnshire LEP Board**  
**Friday 14<sup>th</sup> November 2014**  
**The Crossland Suite, Grimsby Town Hall**  
**10:20am**

**BOARD MEMBERS:**

Ursula Lidbetter – Chair (UL)  
 David Dexter – Deputy Chair (DD)  
 Richard Wills (RW)  
 Councillor Colin Davie (CD)  
 Councillor Doreen Stephenson (DS)  
 Ian Munnery (IM)  
 Tony Hill (TH)  
 Councillor Ray Oxby (RO)  
 Professor Mary Stuart (MS)

**SECRETARIAT:**

Ruth Carver (RC)  
 Jon Burgess (JBU)

**OBSERVERS:**

Pete Holmes - BIS (PH)

**IN ATTENDANCE:**

Councillor Neil Poole (NP) for Councillor Redfern  
 Marcus Walker – North Lincolnshire Council (MC)  
 Angela Blake – North East Lincolnshire Council (AB)

**Welcome by the Chair – Ursula Lidbetter**  
**Apologies, Declarations, Minutes and Matters Arising**

The Chair welcomed the Board and introduced Ian Munnery (IM) as a new Director to the Board. IM gave a brief overview of his skills and experience, with a particular interest in helping to support the ongoing work around the agri-food sector.

A letter from the Environment agency about involvement in the work of the Greater Lincolnshire LEP was discussed. It was agreed to see a meeting with the EA both nationally and locally to understand the reasons for not becoming a director of the LEP. They would continue to play an active part of the LEP's water management group, the Officers group and the ESIF Committee.

UL and MS declared an interest in Boole Technology Centre

**Apologies were received from:**

Andy Orrey, Neil Corner, Herman Kok, Chris Baron, Sarah Hendry and Mark Tinsley.

**Minutes of the last meeting:**

**Actions**

**JBU/RC**

<p>Agreed as a true record.</p> <p><b>Matters Arising:</b> RO confirmed his interest in joining the Investment Board as a representative of North East Lincolnshire.</p>	
<p><b>Operational Brief – Presented by RC.</b></p> <p>Board Members were advised that the first shadow meeting of the European Structural Investment Fund (ESIF) Area Committee is due to meet on the 24<sup>th</sup> November 2014, which forms part of the LEP’s new Investment Board structure. At present, there are still some gaps in membership to cover all of the representative groups required by DCLG. Adverts have previously been posted and further nominations will be sought. All memberships will be subject to approval of the LEP’s Appointments Committee. LEP Board to consider Director representation or co-opting opportunities onto the ESIF Committee, once a fuller list of group members is established.</p> <p><b>TH requested an updated list of which groups and members were making decisions or recommendations on behalf of the LEP. Secretariat to circulate an upload onto website.</b></p> <p>PH advised the Board that discussions are ongoing between Central Government and the European Commission with regards to the sign off of the three ESIF operational programmes. If negotiations continue into January, approval of the overall programme could be further delayed towards June 2015, as they will be subject to additional approval mechanisms in the New Year.</p> <p>It was confirmed that responsibility and accountability for the new ESIF programme will sit with DCLG, but the GL LEP will act as a local approval body for individual applications and project activity.</p> <p>It was further noted that all LEPs have received an approach to consider becoming an intermediate body as part of this process, but more detail is required to understand the associated risks, options and benefits. The ESIF committee will be asked to consider this detail when it becomes available and make a recommendation back to the main LEP Board.</p>	<p style="text-align: center;"><b>RC</b></p>
<p><b>Finance Update – Presented by RC.</b></p> <p>RC confirmed that the capacity and core funds i.e. the operational funding for the LEP have been fully allocated. For 14/15. Some funding is still available under the Growth Deal Delivery Fund – with some requests for use of these funds identified as part of other items on the agenda i.e. water management.</p> <p>The Board supported the recommendation for Andy Orrey to be appointed as chair of the new Audit and Finance Committee. Two additional Board Members will be required to be part of the Committee. It was agreed that it would be helpful to appoint a non-LCC Member to this group to ensure additional transparency of the accountable body function.</p>	<p><b>Nominations sought from Board Directors or members of the company membership once established</b></p>

**Growth Deal Implementation** - Presented by RC.

i) Growth Deal 1

The Board received an update on the committed and pipeline schemes for Growth deal 1.

Go Skegness was flagged as an amber scheme, following an unsuccessful revenue bid to DfT to complete their funding package. It was confirmed that LCC are still committed to delivering the programme and are investigating a number of options to work out the minimum and optimum revenue requirements to enable the scheme to proceed through other funds.

RC confirmed that independent State Aid advice is being requested through Eversheds (solicitors) on all of the approved Growth Deal 1 schemes. Progress is also being made on draft contracts through Legal Services Lincolnshire. Spend profiles are expected to be confirmed for all projects (across both years) in the final offer letter from Government, which is due around the Autumn Statement announcement on the 3<sup>rd</sup> December.

RC confirmed that the aim is for project spend profiles and due diligence checks (including State Aid advice) for those projects starting 15/16 to be signed off by the Investment Board on the 15<sup>th</sup> December on behalf of the LEP.

PH updated the Board on the ongoing Judicial Review against the Government in relation to the Growth Deal awards. The Review has not been granted a written hearing but will be given the opportunity of an oral hearing on the 19<sup>th</sup> November. PH reiterated that there is a clear view within Government that LEPs should continue with their implementation and delivery arrangements in the meantime.

Board Members agreed that a critical issue for the credibility of the LEP was to ensure that there are robust mechanisms in place to flag up any project failures at an early stage. RC confirmed this will be monitored through monthly reports back to the Investment Board.

Board Members shared concerns over the level of control DfT are seeking to retain in relation to project approval/expenditure and the detrimental impact this may have in terms of enabling LEPs to be agile in delivering local growth.

ii) Growth Deal 2

9 projects have already been prioritised and submitted to BIS under the original call for Growth Deal 2.

PH advised the Board of two additional financial scenarios which are being presented to Ministers for consideration to increase the level of funding and ambition for Growth Deal 2.

Subject to Treasury agreement, the potential scenarios *could* see an increase in monies available in 2017/18 and 2018/19 to bid for as part of the next Growth Deal bidding round. Whilst any potential increases in funding are notional at this stage, the requests that are being made suggest that LEPs may be given the opportunity to bid for more money over a longer period than originally anticipated. It was noted

<p>that the Autumn Statement announcement (on Dec 3<sup>rd</sup>) is likely to confirm the national allocation that will be made available under the next bidding round.</p> <p>PH advised that BIS would require Expressions of Interests back by 8<sup>th</sup> December which would outline project, timescale, outputs and funding for each scheme. Formal announcement of all approved schemes under Growth Deal 2 is expected in February 2015.</p> <p><b>The LEP Board instructed officers to undertake an additional call for major future capital project activity to understand any major growth schemes/investment opportunities which may come forward over the next 3-4 years and require further funding/intervention to unlock economic growth and deliver the aims of our SEP. The Board also requested a particular emphasis on greater engagement with the private sector and education providers.</b></p> <p><b>LEP Strategy Away Day on 4<sup>th</sup> December to pick up prioritisation of proposals received, prior to submission to BIS by 8<sup>th</sup> December.</b></p>	<p>RC</p> <p>RC</p>
<p><b><u>Rail Priorities</u></b> - Presented by RW</p> <p>It was noted that there is currently a range of different rail franchises covering the GL LEP area, alongside a number of significant issues which are of critical importance to the Greater Lincolnshire economy – including line gauge capacity, future electrification and bulk freight/passenger movements. The importance of rail stock and frequency of journeys was also noted in relation to the visitor economy.</p> <p>The Board supported the need for the LEP to develop a new prospectus for rail, in order to set out a strong economic justification for future investment in the GL LEP’s rail network, and provide solid evidence on the associated return on that investment. The prospectus could ultimately become a robust bidding document for future intervention and would fit with the role of influence for the LEP. It could also enable the LEP to build up positive working relationships with Network Rail, and progress future bids for funding on behalf of other key partners.</p> <p>The prospectus will build on existing work around freight movements and officer expertise within North and North East Lincolnshire.</p> <p><b>It was agreed that officers would work up a request for funding from the LEP to support the development of a rail prospectus. Aim to produce final report back to the LEP Board by June 2015.</b></p>	
<p><b><u>Water Management</u></b> - Presented by RC</p> <p>The Board welcomed the opportunity for the current task and finish group on Water Management to become a permanent support group in offering advice and guidance to the LEP on future priorities and opportunities for intervention.</p> <p>Board Members also acknowledged the leadership role of Mark Tinsley (on behalf of the LEP Board) in progressing this issue and bringing practical recommendations back to the LEP Board for discussion. Board Members agreed that there was a need to address water resource management in order to support the supply for future growth.</p>	

<p>It was considered that the recommendations in the paper presented were founded on good evidence and should be supported. It was also acknowledged that Greater Lincolnshire has established a growing momentum and national reputation in this area, which should be capitalised on through further work and investment.</p> <p>NP encouraged the Board to also recognise the financial imperative in protecting major infrastructure and economic assets through future flood defence schemes (e.g. Power Stations on Humber Bank).</p> <p><b>Board Members supported the following recommendations (subject to clarification of the figures for each element):</b></p> <ol style="list-style-type: none"> <li><b>1. That the Water Management Task and Finish group become a permanent Strategic Advisory Group for the LEP, and that the membership is reviewed, and a terms of reference and work plan agreed at the next board or electronically. The water management group extends its remit to cover the entire water management agenda, to take forward the freedoms and flexibilities, and to manage effective links between the LEP and existing partnerships.</b></li> <li><b>2. That the LEP board approve a budget of £32,000 for resource to support the LEP and the water management with this agenda from core funding.</b></li> <li><b>3. That the LEP commissions an additional piece of work to address both the calculation of agricultural land and benefits accruing to the agri-food and visitor economy sectors with the anticipated costs being £4,000.</b></li> <li><b>4. That a model is developed that integrates evidence for the value of water resource management with that for managing flood risk, and that establishes a means of valuing potential future growth unlocked by present-day flood risk and water management techniques. The estimated cost of this is the region of £30,000 to £40,000.</b></li> <li><b>5. That the LEP Board agrees that a water conference is organised for late May 2015 (to be funded through sponsorship contributions).</b></li> </ol>	
<p><b><u>Away Day Agenda</u></b></p> <p>It was agreed that the Away Day should allow for plenty of time to discuss the future strategic priorities for Greater Lincolnshire, linked to our Strategic Economic Plan.</p> <p>Board Members were encouraged to think about what we want the Greater Lincolnshire economy to look like in 2025 - and what the challenges, risks and opportunities will be to delivering those outcomes and supporting the growth of our key sectors.</p>	<b>ALL</b>
<p><b><u>Forward Plan</u></b></p> <p>It was agreed to add an item on North East Lincolnshire's new Local Plan to the March 2015 meeting</p>	<b>RC</b>
<p>As there was no other business, the board was closed at 12:30pm.</p>	
<p><b>DATE OF NEXT MEETING: 22<sup>nd</sup> January 2015, venue tbc</b></p>	