

GLLEP Investment Board Agenda and Papers

Paper 0

Date and Time: Wednesday, 31st January 2018 at 1.30pm

Venue: Council Chamber, West Lindsey District Council Offices, Guildhall, Marshall's Yard, Gainsborough, DN21 2NA

Item No	Item and Brief Description	Lead	Additional Information
1	Welcome and Introductions <ul style="list-style-type: none"> • Apologies for Absence • Declarations of Interest • Matters arising 	Chair - Ursula Lidbetter Ruth Carver	
2	Draft Minutes: 24 th November 2017	Chair	Paper 1.0 – for approval and publication
3	Grantham Southern Relief Road <ul style="list-style-type: none"> • Progress Update by LCC 	Andy Gutherson	CONFIDENTIAL NOT FOR CIRCULATION Paper 2.0 for presentation and discussion
4	Growth Deal Update Report Programme level update, summary of key risks/issues, programme Dashboard.	Halina Davies/Linsay Hill Pritchard	Papers 3.0 and 3.1 – for information and endorsement Appendices A (enclosed) and B (to follow)
5	Skegness Gateway Development <ul style="list-style-type: none"> • Covering paper and due diligence appraisal report 	Halina Davies	Papers 4.0 and 4.1 – for decision
6	Any Other Business	All	

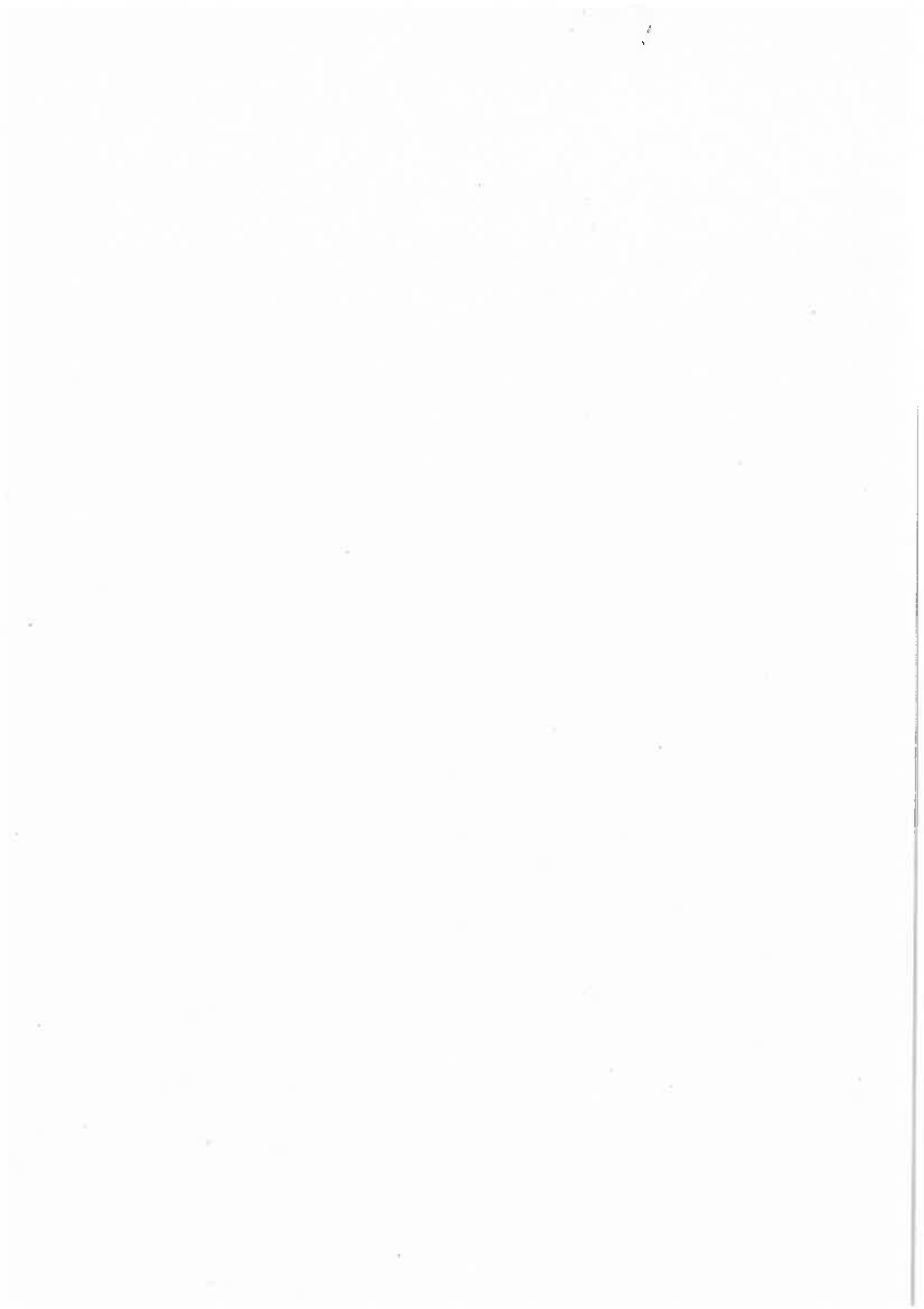
Confirmed Attendees: Ursula Lidbetter (Chair and Lincs Co-op), Cllr Colln Davie LCC, Cllr Peter Wheatley NELC
Cllr Rob Waltham NLC, Chris Baron Butlins

Accountable Body: Linsay Hill-Pritchard, LCC

Officers: Ruth Carver, Halina Davies

Observers: Pete Holmes, Warren Rails

Guest Speakers: Andy Gutherson (LCC)



In attendance:

Board Directors: Ursula Ladbetter (Chair); Cllr Colin Davie, Cllr Peter Wheatley; Mark Tinsley; Chris Baron, Richard Wills

LEP Board Support: Justin Brown, Halina Davies

Accountable Body : Linsay Hill-Pritchard

Observers: Pete Holmes

Apologies: Cllr Rob Waltham; Herman Kok, Ruth Carver

Actions

Welcome by the Chair – Ursula Ladbetter

The Chair welcomed everyone in attendance. It was noted that the Board could be regarded as quorate for all matters.

Order of Agenda

It was agreed by all to rearrange the order of discussion of papers on the agenda.

Declarations of Interest

Cllr Wheatley NLC declared an interest in the Paper regarding the Skills Capital Investment Fund. North Lincolnshire Council is involved as a partner in the bid from North Lindsey College.

Cllr Davie LCC and Richard Wills LCC declared an interest in Papers 4 & 7 – Grantham Southern Relief Road and Skegness Gateway Scheme. Lincolnshire County Council is acting as lead applicant on both of these schemes.

Ursula Ladbetter declared an interest in the Lincoln Transport Hub. Lincolnshire Co-operative is a partner in the delivery of the Transport Hub Scheme.

Minutes

Minutes from the meeting held on 29th September 2017 were agreed and can be published on the website following minor amendments.

Actions:

- Plan additional training for Directors on GLLEP Assurance Framework for March 2018

LEP Secretariat

Item 5 – Skills Capital Investment Fund

This paper confirmed to the Board the electronic approval process for the £7.34m Skills Capital Investment Programme. The schemes would therefore be given indicative allocations and are approved to go the due diligence stage, prior to full approval.

In early July 2017, Greater Lincolnshire LEP put out a call seeking proposals for capital projects that will result in an increase in the talent pool that employers can recruit from locally and an upskilled workforce within its six priority sectors. It was stressed that projects without an impact on these sectors would not be funded; in addition projects that would duplicate or displace existing good quality provision within an area would not be considered. Proposals needed to show how training will be relevant or tailored to employers within a particular industry and also needed to consider current and future trends.

There were 8 bids submitted, 4 were recommended by the scoring panel as strong contenders for the fund.

On 31st October 2017, a decision paper was circulated via email to the Investment Board for electronic approval of recommendations made by the scoring panel brought together to assess the applications submitted to the Skills Capital Investment Fund. Cllr Rob Waltham was not involved in the decision process due to a conflict of interest in relation to the North Lindsey Scheme, with North Lincolnshire Council being a key partner for the project. Two options were presented for consideration and Option 1, supporting 4 projects, was recommended by LEP Officers. **This recommendation was formally approved via the electronic approval process on the 6th November.**

A conference call was requested by the Chair for broader clarification purposes on how additional funding identified for the Skills Capital Investment Fund would be applied. This was organised on the 17th November involving the Chair, Accountable Body, LEP Director, Cllr Davie and Chris Baron. The LEP then notified applicants of their provisional allocations on the 20th November. A paper confirming the entire process was discussed at the 24th November Investment Board and formally endorsed.

The Board was pleased that some of the awarded projects will be focused on investment in the digital sector, with emphasis on this sector already strongly highlighted within the SEP and the Government's Industrial Strategy. The projects will also provide a good geographical coverage of Greater Lincolnshire.

Allocation amounts requested by the applicants could not all be met entirely by the limited funding available to the Programme overall; hence having discussed the provisional allocations with project leads, Halina explained to the Board the likely impact on project outputs from reduced allocations. Due diligence appraisal of the projects concerned in 2018 will confirm their deliverability and whether they remain good value for money.

Cllr Davie left the room

Richard Wills remained in the room representing the accountable body given that the paper was a project update only and not requiring a formal decision

Item 4 – Grantham Southern Relief Road (Paper 3)

The Board had received an update on progress at the July Board and were advised of a series of actions being undertaken by LCC tied to key milestones and a revised spend profile as a result of the delays to the project that were reported.

The latest paper presented by Halina provided an update for the members of the Board on the Grantham Southern Relief Road project delivery, highlighting the subsequent progress made on physical works for the scheme, land acquisition, statutory orders and design. A number of these strands of work are reaching critical points which will be key to maintaining expected delivery milestones in the New Year.

The Board was advised that the project remains on track to meet the revised spend profile agreed in July. As was reported in July, many of the key project deliverables are dependent on third party involvement and agreement, which has a bearing on the ability to progress some aspects of the project until such matters are resolved, eg, land acquisition, approvals from other bodies, etc.

To date:

- The project has received £13,809,281 of SLGF.
- A further £968,335 has been evidenced to the Accountable Body and LCC remain on target for the 2017/18 spend target of £2,416,990.
- LCC remains committed to spend the SLGF proportion of the funding mix to ensure that spend is achieved in the 2020/21 timeframe.

The key deliverables previously reported to the Board were all in relation to progressing the project to a point

where Orders can be published for the scheme. This work has progressed so that 4 Orders are being prepared for publishing in January.

Liaison is ongoing with Network Rail and Highways England in this regard.

Given the continued importance of achieving key milestones with regard to this project, LCC will update on progress with the publishing of Orders at the 31st January 2018 Board.

Cllr Davie remained absent from the room & Richard Wills left the room

Item 7 – Skegness Gateway Development (Paper 6)

A paper was circulated in advance of the meeting providing Board Directors with an update on the position of the approved Skegness Countryside Business Park scheme and identifying a revised delivery option for endorsement to progress the scheme going forward. Statements made in the recently delivered Lincolnshire Employment Land Study about the adequacy of employment land provision for the East Lindsey area, assume that the Skegness Countryside Business Park will be delivered. Removing the hectares that will be provided by the Skegness Countryside Business Park from the supply figures would result in the Employment Land Study showing a shortage of supply for East Lindsey.

The proposed Countryside Business Park site extends to 32 hectares (80 acres), of which 17 hectares have an extant full planning consent and the remaining 15 hectares is allocated. In addition to this, there is known pent-up demand for in the order of 6 hectares in the town from existing larger employers. Furthermore, it is predicted that the number of inward investment enquiries seriously considering Skegness will also increase when serviced employment plots of more than 2 hectares can be offered on freehold terms.

Three options were thoroughly explored for delivery of the scheme and Halina talked the Board through related drawings for the three options concerned.

Option 1 was the original contracted project proposal which is now deemed unviable by the landowners; given that they would recover significantly less than they would have to initially invest.

Option 2: The total investment cost of this proposal was £8.45m with GLLEP and LCC funding being directed towards the costs of the 60m roundabout on the A52 and the industrial units. The landowners would make their land available for employment uses and would service it by constructing estate roads from the gateway roundabout and providing other necessary on-site infrastructure. This option would not require any private sector investment other than the existing value of the land until such time as onward sales are achieved. The disadvantages are that the land is only opened up by the GLLEP and LCC investment (not fully serviced) and there is therefore increased risk attached to the delivery of outputs. Also, the project would not be able to address pent-up demand for serviced land in the short term. Outputs from Option 2 would be expected to be low in the early years, but accelerate more rapidly beyond 2022. Achievement of the bulk of the outputs from Option 2 would be dependent upon achieving an early sale of land to an end user in order to fund necessary site servicing works. The risk associated with not achieving the proposed outputs was therefore medium to high.

Option 3: This approach involves phasing the project and LCC would seek GLLEP approval to each phase of the overall project separately. Site servicing would begin at the rear of the site off Hassall Road where 2 hectares have extant planning consent for employment uses. Planning permission would be sought to develop (as a minimum) a further 5 hectares of allocated land (adjacent to the 2 hectares with consent). The project would then fully service the 7 hectares to create "shovel ready" employment land. Approximately 0.5 hectares of this land would be built upon by LCC to provide new "step-up" type industrial units. The remaining 6.5 hectares would be offered to the market freehold, where it is expected that the provision would meet pent-up demand

from existing businesses in Skegness who are known to be seeking to expand. The sale of the serviced land off Hassall Road will provide a cash return, thus allowing Phase 2 of the project to proceed (funded by LCC, the balance of the LEP grant and the landowner) resulting in the provision of a 60m gateway roundabout on the A52, and the full servicing (with estate roads and utility provision) of a further 6 additional hectares for commercial leisure uses. Cash released to the landowner as a result of sales of land from Phase 2 of the project would be reinvested by the company to service and bring to the market further tranches of land, with this model being replicated until all of the consented/allocated land is built out.

Action: A query was raised regarding the Phase 1 costings table provided in the LCC supporting information, i.e. LCC purchase 5 hectares of unserviced land, with the assumption being that it would cost £110,000 per acre – should this be hectares or acres, LEP officers to clarify.

LCC would be responsible for managing and delivering the project, becoming the sole contractual partner with GLLEP for the growth deal funding. The risk of not achieving the outputs associated with this phase of the project are considered medium to low with there being existing pent-up demand for serviced land and the industrial space in the Skegness area.

Recommendation: The Board approved the working up of Option 3 (Skegness Gateway Development) for full due diligence appraisal in January and the termination of the existing £4m Growth Deal fund contract for Skegness Countryside Business Park.

Cllr Davie & Richard Wills returned to the room
Mark Tinsley left the meeting

Item 3 – Growth Deal Update Report (Paper 2)

The Investment Board was updated on schemes/programmes that were performing well and nearing or having reached completion.

A project highlights report was circulated at the meeting on the Lincoln Transport Hub scheme which should be completed in January (ahead of schedule), with part of the new multi-storey car park already having been opened to the public in November 2017. The scheme has proved to be a tremendous success and a formal launch will be arranged with all partners concerned in the Spring.

GLLEP will hold its Annual Conversation with the Government on the 5th December 2017, the meetings being a formal process by which the Government and each LEP meet to discuss the contribution the LEP has made towards driving forward local economic growth, to review LEP governance and assurance processes, to look at progress with delivery on key local growth programmes and to discuss the LEP's priorities and challenges for the year ahead. It provides an opportunity for the LEP to ask questions with regard to emergency government policy and also acts as a key milestone in the process for confirming the following year's Local Growth Fund payments. Key outcomes and actions arising from the meeting will be addressed and shared with the Investment Board in January.

RC/HD

Mary Ney Review – In April 2017, Melanie Dawes, the DCLG Permanent Secretary, commissioned a review into LEP governance and strategy. The DCLG Non-Executive Director, Mary Ney, led the review which is now complete – the report will be discussed at the Annual Conversation. The recommendations of Mary's review will be included in a revised National LEP Assurance Framework around May 2018. In addition, DCLG and BEIS Ministers are currently undertaking a wider review into strengthening the role of LEPs, which is likely to require further changes to the Framework. Government will write to all LEPs in November

<p>2017 to set out the new requirements on LEP governance and transparency, and the steps being taken to ensure that they are consistently and fully implemented.</p> <p>Necessary changes to the GLLEP Assurance Framework to the review will be made in February 2018 and signed off by the Section 141 Officer at LCC.</p> <p>Government Reporting Mechanism – A blank version of a summary dashboard from a new government reporting system was introduced to the Board for information. This dashboard will be updated and shared with the Board at all future meetings, highlighting progress against programme forecasts and any underperformance of projects. The dashboard will still require supporting evidence to give a clear picture of overall progress given that retained schemes will not be included in the summary and little detail is provided in the figures alone. This is a new system and LEPs and their Accountable Bodies are working with the Government to resolve existing glitches.</p> <p><u>Invest & Grow Fund</u> – The Grantham Enterprise Village loan application will now be submitted to the LEP for consideration in January in light of initial difficulties in getting firm utility related costings.</p>	<p>HD/LHP</p>
<p><u>Item 6 – Greater Lincolnshire Growth Fund (Paper 5)</u></p> <p>This was launched at the Business Live event on the 20th October and the LEP/LCC have appointed Greenborough Management Ltd to manage the fund as part of the Growth Hub programme. A presentation on management of the fund and the role of the Investment Board was given by Russell Copley and Michelle Davies at the meeting and the Board was invited to comment.</p> <p>The Board asked about State Aid expertise available given that good advice can be hard to come by. Russell responded that it would be up to the applicants to provide a brief report and the external due diligence process to review. However, the LEP could procure bespoke expert advice if deemed necessary. Once a full application has been received and appraised, the Investment Board will make the final decision to approve or reject the project.</p> <p>Another area that the Board advised should have detailed consideration was fraud. Officers reminded the Board that all contractual agreements with GLLEP include clauses in relation to fraud and that a full monitoring process will be in place, including site visits and independent due diligence to ensure that this does not become an issue.</p> <p>RC asked if it would be okay to add "digital" as a priority sector in the marketing information for the GLGF. The Board approved this approach.</p>	

<p><u>Item 8 – European Regional Development Fund (Paper 7)</u></p> <p>Justin Brown gave an update on the European Regional Development Fund, informing the Board of remaining funds available within Greater Lincolnshire and how they might be prioritised. Greater Lincolnshire has committed 65% of the overall ERDF allocation to projects, with further projects under appraisal.</p> <p>Final calls for bids for EU funding will be in June and it could take 9 to 12 months to get the projects committed or contractual stage.</p>	
<p><u>Any Other Business</u></p> <p>As least one more Private sector Director needs to be recruited to the Investment Board.</p>	R Carver
<p><u>Date of Next Meeting</u></p> <p>31st January 2018</p>	

Recommendation: A Paper for Information

This paper is to update Board Directors on progress with the current Growth Deal Programme and other programme funds for Greater Lincolnshire.

Growth Deal Project Highlights

Our highlight report to Investment Board this month on schemes/programmes performing well and nearing or having reached completion is focused on the Holbeach Peppermint Interchange. Appendix A provides a brief overview of what the scheme has delivered having reached completion on site and its relationship to the emerging South Lincolnshire Food Enterprise Zone.

Annual Conversation

Greater Lincolnshire LEP held its Annual Conversation with Government on the 5th December. Formal actions arising from the discussion are still to be confirmed by Government, however we believe it to have been a very positive discussion focusing on progress with actions from the last Annual Conversation; implications from the Mary Ney Review and governance; delivery of the growth deal programme and in particular risk management; adoption of the new government reporting mechanism; Local Industrial Strategy development/Greater Lincolnshire Strategic Economic Plan; and guidance on branding of projects within the programme. It was also an opportunity for the LEP to highlight any concerns, proposals and ideas to government and topics included how we might move away from fixed unrealistic annual capital targets enabling forecast flexibility; sector deals; and emerging sectors.

Greater Lincolnshire Growth Fund (GLGF)

There has already been interest in the GLGF from a number of companies and EDIs for panel review are likely to be submitted for a couple of projects very soon. Officers will continue to update the Board on the fund as it evolves and will provide more detail on individual schemes for consideration once they have progressed through due diligence appraisal.

Invest & Grow (Growing Places) Fund

A full application from Heywood Estates for Grantham Enterprise Village is still awaited. No other new schemes have been put forward to date.

Growth Deal Progress

Three projects are currently deemed as a high risk in terms of milestones to the programme, Skegness Countryside Business Park (Skegness Gateway Scheme), Grantham Southern Relief Road, and Lincolnshire Lakes.

An update paper on Grantham Southern Relief Road explaining progress against milestones will be presented by the grant recipients to the Investment Board today for review and discussion.

In addition, a due diligence appraisal report on the agreed delivery approach for the Skegness Gateway Development will be presented to the Investment Board for consideration/a decision as a separate agenda item today.

Lincolnshire Lakes

Progress with the Lincolnshire lakes scheme has been delayed due to the land transfer by the landowner not having proceeded to date. The land transfer to North Lincolnshire Council (NLC) should have taken place by the 8th November 2017. A meeting between NLC and the landowner on the 24th January will hopefully resolve delays with the Section 278 agreement and land transfer, allowing things to progress with the wider scheme. Planning permission was received for the development of Lake 1 in early November with associated conditions. The LEP spoke with Homes England on the 19th January and they remain committed to the scheme providing the landowners can demonstrate that they are meeting all their funding obligations. A meeting including all key stakeholders and government representatives is currently been arranged by Humber LEP for February.

Scunthorpe Town Centre

North Lincolnshire Council (NLC) are proposing a two phased approach to the project and will be submitting Phase 1 of their scheme for due diligence in early February 2018. The overall £4m project will focus on the regeneration of the Church Square area in Scunthorpe and includes road infrastructure improvements to improve accessibility, strategic land acquisitions and public realm investment.

FEZ Programme

A full update on progress with the three FEZ schemes will be provided at the January GLLEP Board. Due diligence for the South Lincolnshire FEZ scheme will proceed in February.

Skills Capital Investment Fund

Projects are progressing well and we intend to carryout programme level due diligence to enable contracting and management of the Fund very soon. Individual scheme due diligence appraisals will be completed as and when the projects are ready to submit their full details this financial year. At least two of the schemes are likely to go through due diligence in February and be presented to the March Investment Board.

Programme Delivery

As we highlighted at the last investment board we have been working with DCLG to fine tune the data within the new reporting mechanism.

The new mechanism shows the following:-

- **Dashboard:** Presenting the progress of the overall Growth Deal to a particular quarter. It is designed to be a useful snapshot and allows delivery to be measured against forecasts. It is worth noting that it captures key outputs only and also omits the DFT retained monies that were awarded to the Lincoln Transport Hub.
- **Forecast Sheet:** Detailing yearly spend targets for each project and also yearly output targets that link fully to the Dashboard. Forecasts were set at Quarter 1 and therefore when we give you the most updated figures these may differ as the forecast within the new mechanism is

locked.

- **Quarterly reporting Sheets:** There is a sheet for each quarter and this is used to capture data that we collect from quarterly claim submissions. These sheets do allow us to capture additional outputs that are detailed within our contracts but these do not link to the Dashboard. The sheets also include a project risk analysis around three specific areas: Delivery, Finances and reputation. The overall risk RAG rating feeds through to the Dashboard. Comparisons can be made from the previous quarter.

The summary Dashboard provided (Paper 3.1) shows Quarter 2 performance as Amber/Green. It identifies two high risk schemes in relation to the programme, however now that we have progress reports for Quarter 3 from project leads we believe that there are indeed three high risk projects (as highlighted earlier in this report). The dashboard for Quarter 3 will be reported to the March Investment Board in preparation for formal submission to government by the 20th April 2018.

Updated Position

The programme is currently forecasting £9.5m (£1.4m related to Lincoln Transport Hub) in expenditure for this financial year and actual expenditure to the end of Quarter 2 totalled £1.197Million (7.6% of the required £15.7m government forecast). The wider picture is that:-

- Projects have evidenced £4.5Million in the Quarter 2 period however this has been evidenced against advance payments and are not reflected in outturn.
- £4.3million of proposed yearly spend is within uncontracted projects.
- We had already identified that higher spend levels would occur in Q3 and Q4.

We are still identifying a minimum gap of £6.1m for the LEP to consider as part of its freedoms and flexibilities, as per options endorsed at the September Investment Board to help prevent an underspend situation.

We have released £13.5million in advance payments and have recouped just over £6million through evidenced claims. A further £3million is expected to be evidenced in the 2017/18 period with the remaining amount 18/19. Forecasts for 2018/19 continue to exceed agreed government targets; hence the LEP intends to begin to significantly rebalance existing offset figures.

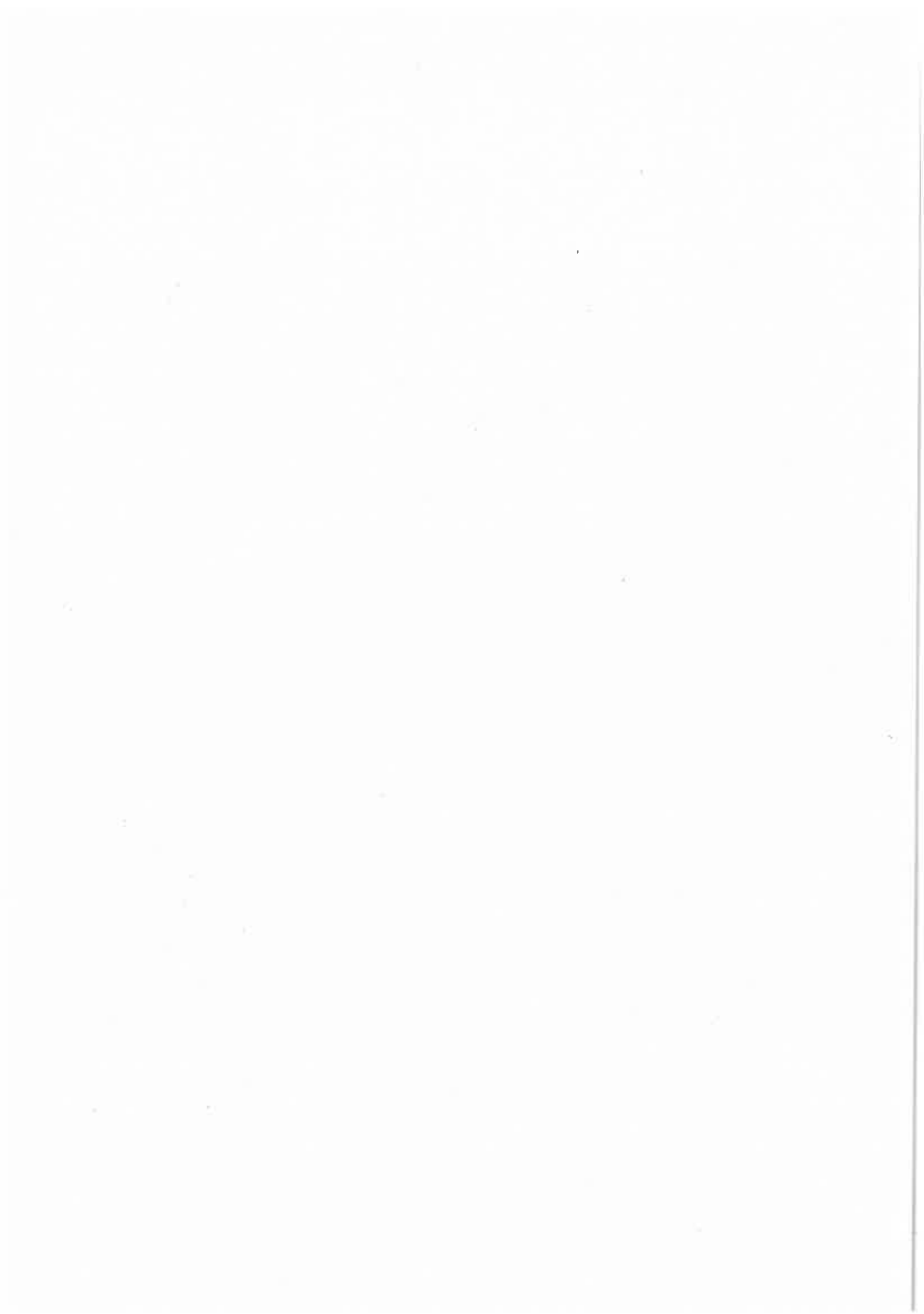
The table below provides the latest programme overview:-

	ACTUAL		FORECAST				Total ALL Years
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	
SLGF Allocation	26,400,000	47,863,787	15,687,335	8,733,858	6,809,606	18,153,052	123,647,638
Project spend	17,901,011	38,359,044	9,526,999	20,386,572	21,902,444	15,571,568	123,647,638
Offset used	-	(298,990)	-	(11,652,714)	(6,351,020)	-	(18,302,724)
Offset gained	8,498,990	9,803,734	-	-	-	-	18,302,724
GAP	-	-	(6,160,336)	-	8,741,818	2,581,484	-

The programme is currently 66% (£81.6million) contracted against the agreed allocation of £123million. Match levered funds within the contracts amount to £167.3million giving a current total programme of £248.9million.

Recommendation

That the Board notes the current programme position and advises on the Grantham Southern Relief Road and Lincolnshire Lakes schemes.



Skegness Gateway Development
Investment Board, 31 January 2017

Recommendation:

This paper provides Investment Board Directors with a summary of the due diligence report findings and recommends formal approval of Phase 1 of the scheme to contracting stage.

Background Information

The Skegness Countryside Business Park project was contracted on the 3rd February 2016 via a tripartite agreement involving Lincolnshire County Council (LCC), Croftmarsh and Greater Lincolnshire LEP. The investment Board agreed on the 24 November to terminate this agreement on the grounds of viability issues and having considered options provided to progress the site concerned, supported a proposal for a revised approach to the scheme subject to full due diligence appraisal. The revised scheme is to be referred to as Skegness Gateway Scheme to avoid confusion and ensure clarity. A two phased approach to the provisional allocation was endorsed.

Skegness's ability to further accommodate growth of existing business requiring new land or premises or attract new inward investing industrial operations is significantly constrained by a lack of available, ready serviced commercial development land for new business to locate on; and a lack of available business premises for new start and growing businesses to occupy. These infrastructure issues have been verified through research undertaken by Ekosgen 2015 and Gleeds 2017.

The Scheme

The full due diligence appraisal of the project is enclosed as Paper 4.1.

The Skegness Gateway Scheme will provide space for business expansion and attraction in the Skegness area, and will make future provision for a fitting Gateway access into Skegness, ultimately enabling connectivity into the planned Skegness Western Relief Road.

Phase 1 of the project will build, service and make available 5 hectares of "spade ready" employment land and "ready to move in" small industrial units (suitable for B1, B2 and B8 uses) which are targeted at meeting pent up and emerging demand. This phase is expected to create and safeguard 65 jobs within two years, constructing 6000sqft of workspace units for small and start-up businesses.

LCC will acquire land at current market price from Croftmarsh and then extend existing highways (Hassall Road) and the utility services running under and alongside the road by approximately 200m in order to provide access to the employment land in a manner which will allow the land to be subdivided into fully serviced plot of varying sizes, to meet business needs. One plot of serviced land will then be used to accommodate 6000 sqft of new industrial units in sizes ranging from 500 sqft to 1000 sqft which will be built by LCC through the project and made available to businesses on leasehold terms.

The extension of Hassall road delivered through Phase 1 of the project will be carried out in accordance with the masterplan for the Skegness Gateway scheme and will when the entire business park is fully occupied provide a continuous connection from the existing Hassall Road through to a new roundabout junction on the A52.

Lincolnshire County Council will be 100% responsible for the development of the Phase 1 project with Croftmarsh's only role in this phase being to sell land to LCC to enable the project to proceed.

Though not part of this approval decision, Phase 2 of the project will construct a new four legged roundabout on the A52 and service further employment land for a broader range of uses including retail, retail warehousing, leisure and ancillary uses. This phase also has wider benefits to the town of Skegness in that it creates a future connection point for a Skegness Relief Road which, as part of the Coastal Highway will improve access from the national motorway network right through to and along the Lincolnshire coast.

The project will deliver directly against the Greater Lincolnshire SEP objective of seeking to increase the number of well-paid employment opportunities available in Lincolnshire by supporting the Engineering and Agri-Food sectors.

Proposed Costs						
Funding Profile Phase 1 Only						
	Previous Years £	Year 1 2017/18 £	Year 2 2018/19 £	Year 3 2019/20 £	Future Years £	Total £
LEP			1,151,100	127,900		1,279,000
Public			948,900	101,100		1,050,000
Private						
Total Capital			2,100,000	229,000		2,329,000
Total LEP Funding			1,151,100	127,900		1,279,000

Greater Lincolnshire LEP growth deal funding will specifically support the following elements of the scheme:

- costs of purchasing development land
- costs of extending Hassall Road
- Utility services costs,
- Construction of workspace
- Fees

Phase 1 of the revised scheme will deliver the following outputs:

Phase 1 - Outputs Profile

Forecast Outputs							
Output Profile							
	2017/18	2018/19	2019/20	2020/21	2021/22	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Public Investment Leveraged (£)		948,900	101,100				1,050,000
Private Sector Investment Leveraged (£)							
Number of new Jobs Created (gross)			4.5	25.5	41		71
Number of Jobs Safeguarded (gross)		6	5				11
ii) Local Strategic							

Outputs							
Commercial floorspace refurbished/constructed and occupied (sqm)			557	1301			1858
Number of new businesses created			4.5				4.5
iii) Others (please list) *							
Total Length Of Resurfaced Roads (M)		200					200
Type Of Service Improvements Delivered					1		1
Area of Site Reclaimed, Developed Or Assembled (HA)				1.5	0.5		2
Follow On Investment At Site (£)				2			2
Commercial Floorspace Occupied (SQM)				1486	360		1858

Conditions and Terms for the Agreement

Phase 1 is to be endorsed for progression to contracting subject to sign off by the Section 151 Officer and the following conditions:

- That LCC confirm in writing to GL LEP, that they will undertake to meet any cost increases on Phase 1, to ensure that the project is delivered in accordance with the project subject to the application for funding.
- Prior to any drawdown of SLGF funding that a copy of the report on tenders for Phase 1 and confirmation of intention to appoint a contractor is provided to GL LEP for review. This is to ensure that verification of project scheme costs is provided and any adjustments are made to the financial profile of the project accordingly.
- In accordance with the state aid advice summarised within this report, LCC to confirm that funding drawn down for the respective elements of the Phase 1 scheme are in accordance with state aid compliant mechanisms and intervention limits as detailed earlier within this report.
- A detailed programme for the delivery of the scheme and drawdown of GL LEP funds is provided upon appointment of the contractor.
- LCC to provide to GL LEP as part of project monitoring an update position in relation to sale of the serviced commercial land and letting of the employment floorspace.

In relation to Phase 2 the following conditions are required:

- For Phase 2, that an appraisal is undertaken of Croftmarsh's proposals for utilising gap funding to deliver on-site infrastructure for servicing the employment land at the time this is due to come forward and costs and values can be properly assessed and the extent of deficit established.
- A copy of the updated Heads of Terms between LCC and Croftmarsh to be provided to GL LEP.

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- Similar confirmation will be required to be provided from LCC/Croftmarsh that funding for Phase 2 is also on a state aid compliant basis.
 - It is recommended that a longstop date be Incorporated into the funding agreement that Phase 2 is to commence by April 2019 latest.
 - LCC provide written confirmation that the Council will underwrite any cost overruns on the Phase 2 to ensure the scheme remains deliverable in the event of any cost increases.

Recommendation

That the Investment Board approves £1,279,000 of Growth Deal Funding towards Phase 1 of the Skegness Gateway Scheme and that an allocation of £2,721,000 is provisionally approved for Phase 2 subject to future due diligence.

Greater Lincolnshire Local Enterprise Partnership

Due Diligence Assessment

In Respect of

Single Local Growth Fund

For

**Skegness Countryside Business Park
(Skegness Gateway Scheme)
Skegness
Lincolnshire**

24th January 2018

Paper 4.1

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APPENDICES

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1.0 PROJECT SUMMARY AND PLANNING STATUS

- 1.1 The Skegness Countryside Business Park (SCBP) was first subject to an application submitted by Lincolnshire County Council (LCC) in 2015, seeking grant funding to meet infrastructure costs to open up the SCBP for development and to provide gap funding to the land owner Croftmarsh Limited (Croftmarsh) as promoter of the scheme.
- 1.2 The SCBP comprises a mixed use commercial and leisure development, extending over 37 hectares. Proposed uses of the site include country park, park and ride, 84 bed hotel, public house, petrol filling station and commercial business space.
- 1.3 The site comprises a Greenfield site and falls within the Skegness Western Growth Corridor.
- 1.4 Single Local Growth Fund (SLGF) was sought of £4 million against total project cost of circa £13.2 million, was approved by GL LEP and subsequently legally contracted in readiness for development.
- 1.5 Since this time, the scheme has stalled, despite initial interest in the site for a hotel and pub operator on two of the plots. Croftmarsh have sought to restructure delivery of the scheme, amid concerns of high up-front expenditure on providing the full infrastructure works required to open up the site, and the risk this carries in terms of having to dispose of commercial land in a location, which is not established for such uses.
- 1.6 It has therefore been agreed between LCC and Croftmarsh that in order to mitigate market risk and financial exposure, that whilst the scheme as proposed in terms of infrastructure works, uses, floorspace, ownership and delivery responsibility remains unchanged, development of the site will commence at the opposite end of the site, accessed from existing highways infrastructure.
- 1.7 LCC will construct a short section of road to open up land on this part of the site to enable land to be serviced for employment development, undertaking direct development to provide 1,858 sq. m of managed workspace accommodation. The unserviced plot of land of circa 1.2 hectares will be serviced by LCC and disposed of for commercial development.
- 1.8 This element of the works will now comprise Phase 1 and is estimated to cost £2.329 million, for which £1.279 million SLGF is being sought.
- 1.9 The Phase 2 scheme will now comprise the balance of works originally proposed as Phase 1, being the construction of a new four arm roundabout to provide access to the SCBP from the A52 and to connect into an existing highway network. Ultimately the roundabout will provide capacity to accommodate construction of the proposed Skegness Western Relief Road. The on-site infrastructure to open up 27 hectares of land for development connecting to the roundabout will also be provided. It is Phase 2 that carries the majority of the infrastructure costs, currently costed to be in excess of £10.562 million.
- 1.10 Croftmarsh previously secured Planning Permission for the 37 hectares of employment land and associated infrastructure works. We are advised that there are

no further planning issues to be resolved prior to implementation of the scheme and as such the Phase 1 works have been tendered by LCC.

- 1.11 Approval from GL LEP Board is therefore sought in relation to the change of delivery structure of the scheme, noting the requirement for GL LEP funding and outputs delivered remain in accordance with the previous scheme approval.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

- 2.1 LCC are seeking SLGF of £4 million as per previous funding application and will utilise this funding to meet the costs of undertaking the works which are deemed to be of general public benefit, including the acquisition of land for employment development, construction of public highway and the managed workspace.
- 2.2 GL LEP SLGF on Phase 1 is sought at £1,279,000 and for Phase 2 at £2,721,000
- 2.3 LCC have also approved match funding of £2,025,400 for both Phase 1 and Phase 2. LCC have furthermore agreed to underwrite any cost increases incurred in undertaking development of both Phase 1 and Phase 2 schemes as described within this paper.
- 2.4 Funding from Croftmarsh has been secured by way of their contribution to the infrastructure works including vetting of land, contributing to the costs of the roundabout and meeting costs for the spur into the business park. Croftmarsh's investment is £6,865,600.
- 2.5 Scheme costs for Phase 1 are £2,329,000 and for Phase 2 £10,562,000. Total costs are £12,891,000. Therefore all necessary funding has been secured to deliver both Phase 1 and Phase 2 of the scheme, given that in the event that there are any cost increases, LCC will provide an undertaking to meet these costs to ensure that the scheme proceeds.
- 2.6 It is noted that scheme costs have reduced slightly from £13.2 to £12.89 million currently. The reason for this is that whilst scheme costs have marginally increased over time, interest costs on Croftmarsh's investment will reduce due to the revised structure for delivery of the scheme.

3.0 KEY ISSUES

- 3.1 Whilst a new full Business Case Application has been submitted to GL LEP detailing the revised scheme, in preparing this due diligence there is a general reliance on much of the information provided as part of the previous funding application.
- 3.2 The scheme itself has not largely changed since the 2015 application, the material changes are the proposals to commence with development from the opposite end of the site, on different plots of land to that envisaged previously. As such there are also associated changes to the design of the scheme and infrastructure albeit primarily to Phase 1.
- 3.3 As is it also intended to procure delivery of the scheme by way of a design and build fixed cost contract, the detailed design for the scheme will be undertaken by the

appointed contractor and until the detailed design process is completed and the scheme been priced there may be slight variations to the costs as currently estimated.

- 3.4 In order to mitigate against this issue, LCC have utilised costs previously estimated and applied an uplift to these to reflect the passage of time since estimates were initially produced in 2015. This approach has also been applied to the highways works and construction of employment floorspace.
- 3.5 In addition, in relation to the proposed business units, LCC have approached a number of contractors to seek a general view on costs for constructing the space and information received thus far is generally in accordance with the costs estimated for delivery of the scheme.
- 3.6 Notwithstanding this, it is anticipated that the infrastructure cost works will have increased and in this respect Croftmarsh have agreed to invest in their proportion of the infrastructure works at current estimated costs at a higher rate. As previously referred LCC will undertake to meet any unforeseen cost overruns during implementation of the scheme. As Croftmarsh's investment is to be deferred until Phase 2, there will be a reduction in interest costs in this regard.
- 3.7 The other issue is that other aspects of supporting information are now also historic. In particular this relates to the valuation advice that was previously prepared by Banks Long in order to support the acquisition of the development land by LCC from Croftmarsh.
- 3.8 From our brief review of market conditions and discussions with LCC, it is considered that there has been no material change in land and property values in Skegness since the original valuation reports were produced. It is recommended that new valuation reports are provided in relation to the development plots now proposed to be acquired by LCC and to ensure that the valuation report remains current and valid given the passage of time.
- 3.9 Given that the civil engineering works and construction of the business space is to be let by way of one contract, it is recommended that a copy of the report on the tender from the contractor is provided to GL LEP once this process is completed. The tender report will serve to verify project costs for the purposes of the grant agreement.
- 3.10 It is also noted that the Heads of Terms and legal agreement between LCC and Croftmarsh will also require variation to reflect the change in the project delivery structure and phasing. A copy of this agreement will be required by GL LEP to demonstrate the project is capable of being delivered in accordance with revised scheme proposals.

4.0 STRATEGIC FIT

- 4.1 The project has strong strategic fit and supports a number of key strategies, including;
 - i) The Greater Lincolnshire SEP – identifies target sectors for growth, part of which are the visitor economy and providing a supply of high quality serviced employment sites to support sustainable employment opportunities, and address

seasonality of employment within specific locations such as Skegness. The provision of commercial land and floorspace at the SCBP project, directly contributes to implementation of this strategic objective.

- ii) The Vision for Skegness – promoting a new growth corridor, wrapping around the western side of Skegness. This establishes the need for the Skegness Western Corridor Relief Road along with the provision of serviced employment land to help expand and establish the local economy along with providing potential job opportunities to support residents of residential development sites proposed within the Growth Corridor.
- iii) East Lindsey District Council Economic Growth Strategy – although Skegness is a principal tourist destination, it is identified along with its immediate neighbour, Ingoldmells as the most deprived seaside towns in England. The economic baseline data identifies the sector mix in the district as a key contributor to lower than average output and earnings. The business base reflects a relatively weak private sector with a comparatively high proportion of the workforce employed in the Public Sector.

A further barrier to growth and diversifying the economic base is also reflected in the areas low skills base, which in turn is a barrier to new high value manufacturing sectors. The skills gap is also a key factor driving the consistent underperformance of the local economy.

Whilst measures are in place to address the low levels of the skills attainment within the district, in order to retain a more skilled workforce, Skegness needs to diversify its employment base and reinforce its visitor offer and the SCBP proposal support this strategic objective.

5.0 MARKET ASSESSMENT

- 5.1 Lincolnshire has through various studies in relation to the employment base and employment land availability, identified the critical necessity to increase of supply of serviced employment land within Skegness. This is required in order to assist in diversification of the employment base, to reduce the reliance on tourism and its issues of seasonality, along with providing employment opportunities in order to support proposed new housing to be delivered within the Skegness Growth Corridor.
- 5.2 There is currently no serviced employment land available in Skegness in order to support growth and diversification, with the nearest alternative sources of employment land being in Louth and Boston, both of which are more than 10 miles from Skegness and in adjoining districts. The Impact of this is that businesses with expansion plans have either relocated away from the town or suspended immediate expansion pending land or alternative premises becoming available.
- 5.3 There is also known demand for small businesses seeking good quality workspace on flexible occupation terms. The ability to provide such space to SME's and fledgling companies will provide an environment in which they can grow and become established to a point where they are able to procure independent accommodation on longer-term arrangements.

- 5.4 The establishment of occupiers on to the SCBP may also be catalytic in terms of providing the confidence for other businesses to acquire land and develop out bespoke facilities where there is a cluster of employment activity already established on the site.
- 5.5 It is considered that market conditions as identified within the 2015 Business Case remain unchanged as no new sites and developments have been delivered since the time the original application was prepared.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A revised development appraisal has not been produced for the scheme on the basis that LCC are seeking approval of funding for the Phase 1 scheme only at this time, with the balance of funding allocated to Phase 2. Funds for Phase 2 will only be capable of drawdown when scheme proposals are refined and updated costs, values and programme can be provided.
- 6.2 In terms of the Phase 1 scheme, LCC have stated that values in terms of unserviced land with planning permission and serviced development plots remains unchanged since the 2015 application, as do property values for the completed workspace units.
- 6.3 Whilst it is not disputed that there has been little or no change in values in Skegness since 2015, this is required to be verified through the provision of a new Red Book Valuation in this regard.
- 6.4 The other amendment to the Development Appraisal is essentially costs of delivering the scheme, and as noted this requires refinement through the detailed design and tender process.
- 6.5 It is therefore confirmed that the financial element of the project will be subject to verification upon production of the required tender information, as opposed to the preparation of an amended development appraisal.
- 6.6 With regard to the Phase 2 scheme, given the delivery and funding remit of LCC, Croftmarsh and GL LEP, a development appraisal will be required to demonstrate viability issues, and eligibility for grant funding, particularly for Croftmarsh and that this falls within intervention levels under the relevant block exemption.
- 6.7 This will be undertaken at the time that full information is available for the Phase 2 scheme.

7.0 DELIVERABILITY AND PROGRAMME

- 7.1 Despite the delays encountered since the project was first appraised in 2015, the revised delivery structure, with LCC to undertake the first works and development on the site, effectively helps in de-risking the project, given that Croftmarsh's investment will not be required until some development and occupation on the site has been established.
- 7.2 Notwithstanding this, it is recommended that a longstop date for Croftmarsh's investment and the bringing forward of the Phase 2 scheme is time limited, in order

to ensure that commitment from the developer is made to this scheme. A longstop date for commencement of the scheme is recommended for April 2019 latest, to ensure GL LEP funds would not be allocated to a project over an extended period of time when finite funds could be invested in other projects.

- 7.3 In terms of Phase 1, this is currently being tendered with tender returns anticipated during February 2018.
- 7.4 Therefore subject to the project being approved by the Board at the end of January 2018 and contracts being entered into with LCC for the Phase 1 works, some element of early project expenditure may be achievable through placing of civils contracts and potentially acquisition of land required for the scheme, prior to the end of March 2018.
- 7.5 It is noted that timescales in this respect are tight. Therefore the revised programme for drawdown of GL LEP funds and a programme for delivery of the Phase 1 works are required to be provided to GL LEP as soon as this has been agreed with the selected contractor.
- 7.6 The delivery of the Phase 1 works, including the civils works and construction of the units should be completed within an 18-month period, with letting of the units anticipated to reach an 80% level of occupancy within 2 years of practical completion. In view of the lack of supply of such space within Skegness and the immediately surrounding environs, this timescale is considered realistic and reasonable.
- 7.7 LCC should also be required to provide updates on the letting of the completed space and sale of the serviced commercial land to GL LEP. This information will also be important as it is likely to have an influence in terms of deliverability of the balance of the commercial land and as such Croftmarsh's willingness to invest in infrastructure costs to bring forward the remainder of the site.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 The State Aid position for Phase 1 is summarised as follows;
- 8.2 Aid for Local Infrastructure – Article 56 of the GBER enables a mechanism for LCC to acquire land for servicing and development of employment floorspace and is considered to form part of the public sectors remit in respect of furthering economic development within its area. There is no contravention of State Aid for this activity providing that land is acquired and sold at market rates and the completed business space is also let in accordance with market rates; thus ensuring no distortion of competition within the market.
- 8.3 With regard to the construction of the managed workspace, advice has previously been sought for this scheme from Eversheds by GL LEP and the position remains unchanged, being summarised as follows;

- 8.4 There are three mechanisms for investment and respective funding programmes which have been identified and reviewed as part of the appraisal, these are summarised as follows;

Works of Public Benefit

- 8.5 In respect of the provision of so called "general infrastructure" which can be demonstrated to be for the benefit of a community as a whole rather than individual undertakings, as a general rule, the EC have concluded (within a number of State aid decisions) that the application of State resources will not raise State aid issues if it can be demonstrated that the Infrastructure in question is open to all on a free and non-discriminatory basis.
- 8.6 It should be noted that the actual connections to relevant general infrastructure of land/development is a specific development cost and funding of this Project should not extend to such connections unless payment re the same is then obtained from the landowners.
- 8.7 An additional consideration in relation to the potential for a "selective benefit" to accrue land owners which benefit from the road (as a result of public funding of the Project) is the possibility that the application of such funds acts so as to remove obligations/costs which would, in normal circumstances, be expected to be met by such landowners in the context of the intended development of their land holding. If the public funding of the Project operates to alleviate such landowners of specific planning obligations and costs associated with the same then, notwithstanding the "general infrastructure" nature of the Project, the application of such funds would be viewed as providing a selective benefit to such land owners and thus state aid.
- 8.8 This is not the case with the SCBP as LCC are only seeking funding for the works that are specifically part of and linked to public infrastructure works and to land which they will acquire and market on a wholly open basis. Croftmarsh are responsible for meeting the cost of works which benefit their land (subject to securing gap funding and completion of further due diligence).
- 8.9 It must be demonstrated by the applicant that the proposed contribution to be made by any landowners benefitting from the scheme to the cost of the SCBP, represents a fair and equitable contribution (taking into account the benefits they will receive as a result of the Project and the wider benefits to the community as a whole and developments which may be brought forward in the future as a result of the Project). If this is demonstrated, robust arguments can be put forward to the effect that public funding of the remaining costs (at this point in time) will not raise state Aid issues.
- 8.10 This matter will be addressed through the apportionment of costs between LCC and Croftmarsh on the Phase 2 scheme and the appraisal to be undertaken as the scheme comes forward for delivery. It is recommended as a condition of funding, that such apportionment is appropriate to the costs once tenders have returned, to demonstrate that LCC's costs relate only to the fourth leg of the roundabout.

Approved Bespoke and Speculative Gap Funding Programme – Croftmarsh Phase 2

- 8.11 The operation of this programme is restricted to “other c areas” within England which depending on location and status of applicant applying for funding will govern respective intervention levels.
- 8.12 In essence, projects must demonstrate that there is a cost viability gap due to market failure for which gap funding can be used to address the deficit in accordance with the maximum intervention level relevant for the specific area.
- 8.13 In terms of the subject scheme, this is identified as within “other c area” and the maximum amount of funding for an SME is 20% of total eligible development costs. Eligible development costs are all those costs associated with undertaking the development of the site ensuring that all such costs and values generated are in accordance with market terms and rates.
- 8.14 As noted, Phase 2 will be subject to separate due diligence as and when the scheme comes forward.

Aid for Innovation Clusters

- 8.15 Advice has been sought from Eversheds by GL LEP and confirmation of the position relating to a state aid compliant investment mechanism is summarised below;
- 8.16 The EC has made it clear that the construction and/or operation of incubator type facilities is an economic activity and thus state aid relevant. On this basis it is considered that any funding towards the costs of the incubation project here would need to be justified under the terms of the General Block Exemption Regulation (“the GBER”) or formally notified to and approved by the EC. We have assumed due to the timescales required that the latter is not a viable option.
- 8.17 Under the terms of Article 27 - Aid for Innovation clusters - of the GBER it is permitted to provide both cap-ex and op-ex funding towards the cost of building and operation of innovation clusters.
- 8.18 Innovation clusters are defined as follows;
- 8.19 “Structures or organised groups of independent parties (such as innovation start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, not-for-profit organisations and other related economic actors) designed to stimulate Innovation activities through promotion, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration amongst the undertakings and other organisations in the cluster”.

- 8.20 It is considered that an incubator facility (of the nature proposed here) would fall within this definition and therefore it is potentially possible for funding towards this project to be provided as aid to an innovation cluster on the basis of Article 27 of GBER.
- 8.21 Under the terms of Article 27 of the GBER it is permitted to fund up to 50% of the capital costs of the construction or upgrade of innovation clusters, with eligible costs being the investment costs in intangible and tangible assets (here it is understood that costs will relate to the construction of the facility and therefore can be considered to be eligible costs). It should be noted that funding is conditional upon a number of conditions being fulfilled in relation to the facility which are as follows;
- Access to the cluster premises, facilities and activities shall be open to several users and be granted on a transparent and non-discriminatory basis.
 - Undertakings which have financed at least 10% of the investment costs of the innovation cluster may be granted preferential access under more favourable conditions. In order to avoid over-compensation, such access shall be proportional to the undertakings contribution to the investment costs and those conditions shall be made publicly available. It is assumed that compliance with these criteria will not pose a problem.
 - The fees charged for using the cluster facility and for participating in the cluster activities shall correspond to the market price or reflect their costs. Again it is assumed this is the intention.
- 8.21 Funding under the GBER towards the cost of innovation clusters is capped at €7.5 million and whilst the proposed funding of approximately £1,279,000 equates to 55% of costs. Once land acquisition of the adjoining plots and road works are netted off from this sum, the contribution towards workspace will be below 50%. This position will need to be verified through the breakdown of various scheme costs once the tender exercise has been completed.
- 8.22 In addition, funding will also only be permitted if it can be demonstrated that the project complies with the so-called incentive effect as set out within Article 6 of the GBER. This requires that the following conditions are met in respect of proposed funding projects;
- The application for funding is received before the project starts (presumed to be the case here).
 - In the case of aid/funding to large organisations, the funding will cause one or more of the following results;
 - a material increase in the scope of the project/activity due to the aid; or
 - a material increase in the total amount spent by the beneficiary on the project/activity due to the aid; or
 - a material increase in the speed of completion of the project/activity concerned due to the aid.
- 8.23 It is understood from the documentation that the project would undoubtedly not proceed without the funding and therefore this criteria would appear to be met. This should however be confirmed by way of documentation provided by the proposed grant recipient, with Article 6 expressly stating in respect of the requirements set out above the funding body must verify before granting the aid that documentation

prepared by the beneficiary establishes that the aid will have one or more of the required effects (see above).

- 8.24 On the above basis it is considered that funding at the level intended (but not more – as it is at the limit of the maximum aid intensity level of 50% of eligible costs) would be permitted in relation to this project under the provisions of General Block Exemption Regulation (subject to the incentive effect being met).

Summary of State Aid Position

- 8.25 In accordance with the state aid advice received above, it is therefore considered that there are state aid compliant funding mechanisms in place to enable the investment sought by LCC to be recommended for approval in accordance with the appraisal of the project.

9.0 PROCUREMENT

- 9.1 As referred, the Phase 1 scheme is currently being tendered as a single contract for both the civil/infrastructure works and construction of the workspace units. LCC are using the PAGABO Framework Agreement which is OJEU complaint framework set up from 19th April 2016 and will run potentially for a 4-year period. Under this procurement route is a two-stage tender process enabling the construction contract to be let to a main contractor subject to approval of the design team and awarded on a fixed price basis.
- 9.2 The Contractors and Highways Alliance Framework will be utilised to select contractors to tender for this scheme on the basis that they have also been through an OJEU complaint process in this respect.

10.0 OUTPUTS AND VALUE FOR MONEY

- 10.1 The outputs potentially deliverable by this project have been provided by LCC and Croftmarsh and are presented for both Phase 1 and Phase 2 of the project.
- 10.2 The outputs potentially deliverable by this project have been provided by LCC and are summarised as follows;
- 31 hectares of serviced employment land.
 - 1,858 sq.m. of managed workspace.
 - New infrastructure incorporating a roundabout on the A52 providing the future linkage to the A158/A52 Skegness Relief Road.
 - Total of 537 direct jobs from completion of the infrastructure to 2021 and beyond.
 - 67 new businesses attracted to Skegness by 2021.
- 10.3 An analysis of the timescales for delivery of the outputs and cost to SLGF is shown in the table below;

Year of Delivery							
I) Core Outputs (Strategic Economic Plan)	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	Future Years	Total
Public Investment Leveraged (£)		1,143,980	881,020				2,825,000
Private Sector Investment Leveraged (£)			6,865,600				6,865,600
Number of new Jobs Created (gross)			7	40	65	425	537
Number of Jobs Safeguarded (gross)		10	8		264	1700	1982
II) Local Strategic Outputs							
Commercial floorspace refurbished/constructed and occupied (SQM)			557	1301			1858
Number of new businesses created			3	4	28	30	67
ii) Others							
Total Length of Resurfaced Roads (M)		200					
Total Length of Newly Build Roads (M)			437	450		500	1,387
Total Length of New Cycleway (M)				400			400
Type of Service Improvements Delivered					1		1
Area of Site Reclaimed, Developed or Assembled (HA)				1.5	4	25.5	31
Follow On Investment at Site (£)				£3.25m	£5m	£33.25m	£41.5m
Commercial Floorspace Occupied (SQM)				1,486	13,200	85,000	99,086

10.4 The outputs in the table above have been subject to the following adjustments;

- Deadweight – 27%
- Employment leakage – 5%
- Displacement – 17%
- Multipliers detailed within English Partnerships Green Book Additionality Guidance – 1.25%

10.5 The adjusted outputs are therefore shown in the table below;

Year of Delivery								
I) Core Outputs (Strategic Economic Plan)	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	Future Years	Total	Comments
Public Investment Leveraged (£)		1,143,980	881,020				2,825,000	Unadjusted as an actual
Private Sector Investment Leveraged (£)			6,865,600				6,865,600	Unadjusted as an actual
Number of new Jobs Created (gross)			4.5	25.5	41	270	341	
Number of Jobs Safeguarded (gross)		6.3	5.1		168	1083	1262	
ii) Local Strategic Outputs								
Commercial floorspace refurbished/constructed and occupied (SQM)			557	1301			1858	Unadjusted as an actual
Number of new businesses created			1.9	2.55	17.85	19	41	
ii) Others								
Total Length of Resurfaced Roads (M)		200						Unadjusted as an actual
Total Length of Newly Build Roads (M)			437	450		500	1,387	Unadjusted as an actual
Total Length of New Cycleway (M)				400			400	Unadjusted as an actual
Type of Service Improvements Delivered					1		1	Unadjusted as an actual
Area of Site Reclaimed, Developed or Assembled (HA)				1.5	4	25.5	31	Unadjusted as an actual
Follow On Investment at Site (£)				£2.07m	£3.19m	£21.2m	£26.46m	
Commercial Floorspace Occupied (SQM)				1,486	13,200	85,000	99,086	Unadjusted as an actual

10.6 The value for money assessment in relation to the cost of outputs to SLGF is as follows;

- LCC are to invest £2,825,000 into this project, which provides a ratio of 1.42:1. As public sector leverage is not the primary output delivered by this project it is not unexpected that this falls below the standard benchmark for investment leverage to 1:2. This output therefore needs to be considered as part of the overall package of outputs delivered by the scheme.
- Private sector leverage ratio of 1:1.72. This is below the standard benchmark of 1:2 although does exclude any indirect private investment in building out floorspace as this has not been defined at this time. The overall private sector investment in this site will therefore be significantly in excess of the reported investment ratio.

- Cost per new job equates to a cost of £11,730. It is noted this comprises very good value for money, falling below the Homes England benchmark costs of between £16,600 to £42,000 per job.
- Cost per safeguarded job is £3,169 representing good value, although is difficult to prove that jobs would be actually lost without the project.
- Managed workspace at 1,858 sq.m. equates to £2,152 per sq.m. as a cost to SLGF. It is noted that this cost is high compared to the standard benchmark of between £200-£400 per sq.m. However, the delivery of managed workspace schemes and costs for constructing buildings of this nature are generally higher given the nature of scheme being developed for multiple occupation and range of supporting amenities and facilities. This output also comprises a small element of the overall package of outputs and when assessed as standalone is not good value for money.
- 41 businesses at the cost of £97,561 per business. This cost is considered to be high; however this is due to business creation not being the primary output being delivered by the project.
- Other outputs – roads and cycleways – a calculation as to a cost to the public sector investment has not been undertaken, on the basis that the assessment of these outputs is undertaken on the basis that costs are in accordance with market rates.
- Area of developed site - 31 hectares of land at a cost of £129,032 per hectare. This falls below the parameters of the Homes England standard benchmarks for costs between £200,000-£400,000 per hectare; however reflects the high infrastructure costs required to service the site and provide a future connecting link to the Skegness Western Relief Road.
- Commercial floorspace occupied – this equates to a cost of £40 per sq. m, which is excellent value for money, albeit noted this is for an indirect output as opposed to a core output generated by investment of the SLGF.

10.7 Overall therefore the above outputs generally fall within standard industry benchmarks and in some cases exceed these and therefore represent good value for money.

10.8 The appointment of outputs between Phase 1 and 2 has been estimated below;

i) Core Outputs (Strategic Economic Plan)	Phase 1	Phase 2
Public Investment Leveraged (£)	£1,050,000	£975,400
Private Sector Investment Leveraged (£)		£6,865,600
Number of new Jobs Created (gross)	71	270
Number of Jobs Safeguarded (gross)	11	1251
ii) Local Strategic Outputs		
Commercial floorspace refurbished/constructed and occupied (SQM)	1858	

Number of new businesses created	4.5	36.5
II) Others		
Total Length of Resurfaced Roads (M)	200	
Total Length of Newly Build Roads (M)		1387
Total Length of New Cycleway (M)		400
Type of Service Improvements Delivered	1	
Area of Site Reclaimed, Developed or Assembled (HA)	2	29
Follow On Investment at Site (£)	2	24.46
Commercial Floorspace Occupied (SQM)	1846	97,600

10.9 In addition, the project is expected to deliver the following outcomes;

- An increased and diversified business base in Skegness.
- A reduction in local unemployment rates.
- Additional business rates income generated.
- A broader local economy comprising strong supply chains.
- Increased local facilities from the pub and hotel on the site along with the wider country park.

10.10 The project is therefore capable of delivering significant outputs to Skegness and the wider Lincolnshire area.

11.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

11.1 The conditions to be incorporated within the funding agreement are as follows;

11.2 LGF of £4 million is recommended for approval from GL LEP for Phase 1 and Phase 2. Funding for Phase 1 is to be approved at £1,279,000 and a provisional allocation for Phase 2 of £2,721,000, on the basis that Phase 2 will require to be subject to due diligence review at the time it comes forward. SLGF at this time can only be drawn for the Phase 1 scheme.

11.3 The conditions recommended in relation to Phase 1 are as follows;

- That LCC confirm in writing to GL LEP, that they will undertake to meet any cost increases on Phase 1, to ensure that the project is delivered in accordance with the project subject to the application for funding.
- Prior to any drawdown of SLGF funding that a copy of the report on tenders for Phase 1 and confirmation of intention to appoint a contractor is provided to GL LEP for review. This is to ensure that verification of project scheme costs is provided and any adjustments are made to the financial profile of the project accordingly.
- In accordance with the state aid advice summarised within this report, LCC to confirm that funding drawn down for the respective elements of the Phase 1 scheme are in accordance with state aid compliant mechanisms and intervention limits as detailed earlier within this report.

- (iv) A detailed programme for the delivery of the scheme and drawdown of GL LEP funds is provided upon appointment of the contractor.
- (v) LCC to provide to GL LEP as part of project monitoring an update position in relation to sale of the serviced commercial land and letting of the employment floorspace.

11.4 For Phase 2 the following conditions are required:

- (vi) For Phase 2, that an appraisal is undertaken of Croftmarsh's proposals for utilising gap funding to deliver on-site infrastructure for servicing the employment land at the time this is due to come forward and costs and values can be properly assessed and the extent of deficit established.
- (vii) A copy of the updated Heads of Terms between LCC and Croftmarsh to be provided.
- (viii) Similar confirmation will be required to be provided from LCC/Croftmarsh that funding for Phase 2 is also on a state aid compliant basis.
- (ix) It is recommended that a longstop date be incorporated into the funding agreement that Phase 2 is to commence by April 2019 latest.
- (x) LCC provide written confirmation that the Council will underwrite any cost overruns on the Phase 2 to ensure the scheme remains deliverable in the event of any cost increases.

12.0 CONCLUSIONS

- 12.1 This Due Diligence Assessment relates to revised delivery proposals for the SCBP for a scheme that has stalled since the original approval was awarded in March 2015.
- 12.2 It is acknowledged that the SBCP is within a deprived area and one which does not have an established employment economy. As an untried and untested location, the project does carry risk for a private sector developer to invest significant resource to open up the entire 31 hectare site.
- 12.3 The revised scheme is therefore reduced in scale in terms of the upfront infrastructure requirement, with Phase 1 primarily being funded by LCC/GL LEP affectively de-risking the project for Croftmarsh. This also provides the opportunity to establish occupiers on the site prior to Croftmarsh investment on the balance of the site.
- 12.4 Initial investment from the public sector and opportunity to secure occupiers to the new employment site will hopefully be catalytic in attracting other businesses to the area and addressing any latent demand which may also exist. This should also give Croftmarsh the confidence to invest and bring forward the employment and leisure opportunities as proposed.
- 12.5 It is however noted that the scheme has stalled primarily due to the perception of risk and unwillingness to invest by Croftmarsh and whilst this may be a reasonable stance for a developer to take, in accordance with the revised scheme proposals and

investment that LCC/GL LEP are to make, a longstop date requires to be incorporated for delivering the Phase 2 scheme for commencement by April 2019 latest. This is to ensure that public sector resources are not allocated to a project that is subject to any further delay.

13.0 RECOMMENDATIONS

- 13.1 It is hereby recommended that £1,279,000 is approved for the Phase 1 scheme. The balance of £2,721,000 up to a maximum of a total of £4 million is recommended to be provisionally allocated for the Phase 2 scheme. This approval for Phase 1 and Phase 2 is subject to the following recommendations;
- 13.2 SLGF of £4 million is recommended for approval from GL LEP for Phase 1 and Phase 2, on the basis that Phase 2 will require to be subject to review at the time it comes forward. Funding at this time can only be drawn for the Phase 1 scheme.
- 13.3 That LCC confirm in writing to GL LEP, that they will undertake to meet any cost increases on the Phase 1 and Phase 2 scheme, to ensure that the project is delivered in accordance with the project subject to the application for funding.
- 13.4 Prior to any drawdown of SLGF funding that a copy of the report on tenders and confirmation of intention to appoint a contractor is provided to GL LEP on Phase 1 for review. LCC must ensure that a verification of project scheme costs is provided and any adjustments are made to the financial profile of the project accordingly.
- 13.5 In accordance with the previous state aid advice received and review of revised scheme proposals, it is considered that there are state aid funding mechanisms in place to enable the investment sought by LCC for the Phase 1 scheme to be recommended for approval.
- 13.6 LCC to provide to GL LEP as part of project monitoring an update position in relation to sale of the service commercial land and letting of the employment floorspace.
- 13.7 For Phase 2, an appraisal is to be undertaken of Croftmarsh's proposals for utilising gap funding to deliver on-site infrastructure for servicing the employment land at the time this is due to come forward, so that costs and values can be properly assessed and the extent of deficit established.
- 13.8 A copy of the updated Heads of Terms between LCC and Croftmarsh to be provided to GL LEP as part of legal due diligence.
- 13.9 Whilst it is also anticipated that Phase 2 remains state aid compliant, a review of the project at the time this comes forward will be required when costs and values and deficit position can be fully established.
- 13.10 A longstop date to be incorporated into the legal agreement for Phase 2 that works are to commence no later than April 2019.



24th January 2018

Date:

.....
Rachael Lister BSc (Hons) MRICS
Thomas Lister Limited
11 The Courtyard
Buntsford Gate
Bromsgrove
B60 3DJ

APPENDIX I

BUSINESS CASE AND KEY SUPPORTING DOCUMENTATION

Application for Greater Lincolnshire LEP Funding Stage 2: Detailed Business Case



Notice for applicants: Some of the information requested in this form has already been provided in your Expression of Interest Form. This detailed business case is an opportunity to expand upon and update what you have already told us, and to take account of any feedback you may have been given as part of the appraisal and assessment process to date

Project Name	Skegness Gateway Development	Project Ref:	LEP to Complete
Project Location	Land to the South of the A52 and West of Hassall Road, Skegness		
Site ownership	Lincolnshire County Council and Croftmarsh Ltd (LCC Acquiring Land from Croftmarsh for Phase 1))		
Planning Application Ref	S/153/2189/02 S/153/0513/17 S/153/2529/14		

Total Project Value (£)	£12,891,000	LEP Funding Sought (£)	£4,000,000
Fund Name	Single Local Growth Fund		
LEP area(s) covered	Greater Lincolnshire		

Lead Applicant	Lincolnshire County Council		
Organisation Type	Local Authority		
Applicant Address	Lancaster House, 36 West Parade, Lincoln LN1 1XX		
Main Contact Person	Paul Wheatley		
Contact Email	Paul.wheatley@lincolnshire.gov.uk	Telephone	01522 550600

Project Summary (this will be used for publicity purposes and uploaded onto the GL LEP website)	<p><i>i) Economic Impact</i></p> <p><i>Phase 1 of the project will build, service and make available to business "spade ready" employment land and "ready to move in" small industrial units (suitable for B1, B2 and B8 uses) which are targeted at meeting pent up and emerging demand. Phase 1 is expected to create and safeguard 65 jobs within two years.</i></p> <p><i>Phase 2 of the project will construct a new four legged roundabout on the A52 and service further employment land for a broader range of uses including retail, retail warehousing, leisure and ancillary uses.</i></p> <p><i>Phase 2 also has wider benefits to the town of Skegness in that it creates a future connection point for a Skegness Relief Road which, as part of the Coastal Highway will improve access from the national motorway network right through to and along the Lincolnshire coast (supporting tourism) and the creation of a gateway</i></p>
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entrance point to the town, thereby improving the public realm.

ii) Delivery of Greater Lincolnshire LEP Priorities (inc. Strategic Economic Plan)

The project will deliver directly against the Greater Lincolnshire SEP objective of seeking to increase the number of well-paid employment opportunities available in Lincolnshire by supporting the Engineering and the Agri-Food sectors. The project will make available new employment land and business premises to enterprises operating in these and other sectors thereby allowing them to grow, diversify or fulfil new contracts. It is also recognised that this new business infrastructure will help Skegness businesses achieve the governments aspirations for greater productivity as set out in the industrial strategy as the new business space created will meet all the latest standards for energy performance, disabled access and lifecycle cost.

It should be noted that the Lincolnshire SEP also specifically references the Skegness Countryside Business Park (which forms part of the Skegness gateway development Project) as a defined scheme in the list of major projects to be supported by GLLEP.

Phase 2 of the project which involves creation of the new roundabout and town arrival point on the A52 is also expected to contribute to the aspiration to double the value of tourism in Lincolnshire by 2021.

The project will also contribute to GLLEP's fourth and fifth stated Priority and Drivers For Success which are: "To promote Greater Lincolnshire as a place for sustainable growth through improved transport infrastructure to connect us with national and international markets, enabling wider enjoyment of our world-class heritage sites, culture and strong communities".

And

"To recognise the need for new housing for the existing local population and potential movers to the area, and support balanced housing and economic development through promoting the area's capacity to deliver high-quality growth."

Project Start Date

date from which eligible expenditure will be

Financial Completion Date

date by which eligible costs will have been defrayed

Practical Completion Date

date by which all Outputs/Results will be achieved

Activity Completion Date

the date by which all the operation's activities described in the application

<i>incurred</i>			<i>will be completed</i>
<i>1st January 2018</i>	<i>1st January 2021</i>	<i>1st January 2030</i>	<i>1st January 2020</i>

Funding Summary PHASE 1					
	LEP Funding (a)	Public Match Funding (b) – Lincolnshire County Council	Private Match Funding (c)	Totals (d)	Contribution Rates (if applicable) (a)/(d) x 100
Capital	1,279,000	1,050,000		2,329,000	54.9%
Revenue					
Totals	1,279,000	1,050,000		2,329,000	54.9%

Funding Summary PHASE 2					
	LEP Funding (a)	Public Match Funding (b) – Lincolnshire County Council	Private Match Funding (c) Croftmarsh Ltd	Totals (d)	Contribution Rates (if applicable) (a)/(d) x 100
Capital	2,721,000	975,400	6,865,600	10,562,000	25.7%
Revenue					
Totals	2,721,000	975,400	6,865,600	10,562,000	25.7%

Delivery Partners				
Will you work with other organisations to deliver this project?	YES	x	NO	
If YES, please state which other lead partners will be involved in delivery.				
<p>Lincolnshire County Council will be 100% responsible for the development of the Phase 1 project with Croftmarsh's only role in this phase being to sell land to LCC to enable the project to proceed.</p> <p>Phase 2 of the project will be delivered as a partnership between LCC and Croftmarsh governed by legal agreements between the two parties covering sharing of costs and responsibility for reporting outputs. It is envisaged that LCC will be the client for the phase 2 works (both within the employment land and on the A52) most likely using the same contractor as employed on phase 1.</p>				

1. Deliverability

1.1 What is the Project?

(Please summarise in 100 words or less. More specific details can be provided in other sections of the form)

Skegness is both Lincolnshire's largest seaside resort and the primary service centre for a large agricultural hinterland which stretches to the west of the Lincolnshire Wolds, north to Humberside and south towards Boston. The town is the focus for industrial activity and home to most of the large non-tourism businesses within the Lincolnshire Coastal strip.

The towns ability to further accommodate growth of existing business requiring new land or premises or attract new inward investing industrial operations is significantly constrained by:

A lack of available, ready serviced commercial development land for new business to locate on,

A lack of available business premises for new start and growing businesses to occupy,

These infrastructure issues have been verified through research undertaken by Ekosgen 2015 and Gleeds 2017.

The Skegness Gateway Development project will address these issues by:

Through Phase 1

- The servicing of 5 hectares of new "spade ready" employment land which will then be offered to businesses on freehold terms at market values.
- The construction of 6000sqft of workspace units for small and start-up businesses so that entrepreneurial spirit in Skegness is not constrained by a lack of modern premises within which to operate.

Through Phase 2

- The servicing of an further 26 hectares of employment land (with frontage to and direct access from the A52) for future development, by businesses in the retail, commercial leisure, manufacturing, logistics or service sectors who will then strengthen the local economic base and supply chains.
- The creation of an arrival Gateway for the town and resort of Skegness in the form of a roundabout on the A52 which will incorporate quality landscaping and a sculpture feature that provides a unmistakable signal to say to visitors that they have arrived at their (holiday) destination, and that this place is special.
- The provision of a connection point for a Skegness Relief Road proposed as part of the wider Coastal Highway transport initiative so that both visitors and residents can move around the town more freely and enable removal of motorised vehicles from more sensitive parts of the town such as the foreshore area,
- Open up a future development corridor which can accommodate longer term growth of Skegness.

1.2 How will the project be delivered, to and by whom?

Briefly explain:

- The specific activities that will be undertaken as part of the project
- Who are the target beneficiaries?
- Where the project's activity will take place

Phase 1 of the Skegness Gateway Development project will be undertaken by Lincolnshire County Council with GLLEP funding support. LCC will acquire land at current market price from Croftmarsh and then extend existing highways (Hassall Road) and the utility services running under and alongside the road by approximately 200m in order to provide access to approximately 5 hectares of employment land in a manner which will allow the land to be subdivided into fully serviced plot of varying sizes, to meet business needs.

One plot of serviced land will then be used to accommodate 6000 sqft of new industrial units in sizes ranging from 500 sqft to 1000 sqft which will be built by LCC through the project and made available to businesses on leasehold terms.

The extension of Hassall road delivered through Phase 1 of the project will be carried out in accordance with the masterplan for the Skegness Countryside Business park and will when the entire business park is fully occupied provide a continuous connection from the existing Hassall Road through to a new roundabout junction on the A52.

Phase 2 of the Skegness Gateway Development Project, will be led by Lincolnshire County Council with costs met by LCC, Croftmarsh and GLLEP as shown in the funding table. This phase of the project will construct a new 60m ICD roundabout on the A52 which will: provide a new access point to the Skegness Countryside Business Park, service a further 10 and then 16 hectares of employment land, create a connection point for a planned future Skegness Relief Road and create an arrival point on the main southerly route into the town and resort of Skegness.

Phase 2 of the project will also involve the construction of (employment park) estate roads, sewers, drains, and the installation of electricity, gas and water supplies. An on-site sewage pumping station also forms part of the phase 2 costs.

Once phase 2 of the project is completed it is expected that land will be offered on freehold terms to businesses wishing to arrange the construction of their own premises.

The intended beneficiaries of the project are:

Small and start up businesses requiring manufacturing/ storage / workshop space will benefit from the construction by LCC of 6000 sqft of business unit space on employment land within the gateway. These units will be made available to businesses on flexible leasehold terms.

Businesses looking to locate to Skegness or grow significantly within the town (from sectors such as Agri-Food or manufacturing) will benefit from the Gateway Project in that it will provide initially 5 hectares then a further 10 hectares and in future phases a further 16 hectares of serviced employment land.

Additionally as a result of the creation of the gateway roundabout it is anticipated that the project will also have some beneficial impacts as follows:

Visitors and holiday makers to Skegness who will benefit from a better vehicular arrival point to the town from

the South West via the A52.

Existing tourism sector businesses in the town will be able to capitalise on the improved aesthetics of the town's southern arrival point helping dispel stereotypes of Skegness as a traditional declining seaside town, and replace these public perceptions with one of a town evolving and striving to provide a quality offer.

Those arriving at Skegness or trying to move round Skegness by motorised transportation will potentially be able to benefit from a Skegness Relief Road the development of which in the future (as part of the Coastal Highway) will be facilitated through the creation of the Gateway Roundabout.

2. Project Need

2.1 Why is the project needed in Greater Lincolnshire?

Skegness is Lincolnshire's largest coastal resort. The town has seen significant continuing private sector investment into its tourism assets over the last few years which has helped retain visitor numbers. Whilst a visitor focused economy has the potential to provide large numbers of employment opportunities, the negative implications of a tourism dominated local economy are seasonality and relative low pay. A well balanced coastal economy should be founded on a range of sectors rather than dominated by one.

Skegness has the opportunity to broaden its economic base into new sectors particularly as it serves a geographically large hinterland, already has a number of large non tourism businesses with potential for growth, and has relatively low land prices which should prove a draw to land hungry inward investing businesses.

Unfortunately the diversification and growth of the Skegness business base is constrained by a lack of ready serviced employment land and start and grow type industrial space. All existing plots of serviced employment land over 0.2 hectares in size are now built out and there are few modern industrial units available on flexible leasehold terms.

As is required under national planning policy, the emerging East Lindsey local plan allocates land in Skegness for employment purposes. That land is the land the Gateway development project proposes to service and bring to the market. The local plan makes no alternative allocations and if therefore this project cannot be delivered Skegness will remain devoid of spade ready employment land until the local plan has its first review (expected five years after adoption).

Recent studies into the availability of serviced employment sites and suitable modern business premises across Lincolnshire (Gleeds 2017 and Ekosgen 2015) have highlighted key shortages in the Skegness area. Furthermore there are recorded enquiries for space in the town both from existing and new businesses (pent up demand) which cannot currently be met.

Values for employment land and rents that can be achieved from lettings of modern industrial spaces in the Skegness area, based on the very limited transactional evidence available are low compared to national averages. Site servicing and construction costs in Skegness however are slightly above national averages due to its peripheral location. These factors combine to make the return on investment in employment land servicing unattractive to the private construction industry. It is typically the case that the provision of serviced employment land in locations such as Skegness requires public sector intervention.

The other benefits to be derived from the Skegness Gateway Development Project as described earlier in this business plan, such as creation of a gateway arrival point and the provision of a link to a future relief road, are in some ways additional to the primary objective of providing serviced employment land and premises, The need for these additional benefits should not be overlooked however.

A visioning document for Skegness produced by a group of local businesses in 2014 placed significant weight on the benefits that would arise from a relief road between the A158 and A52 that could remove 1100 vehicles per day from the centre of the town. This same document also talked about the benefit of arrival gateways. It is understood that a relief road between the A158 and A52 forms part of both the LTP4 and the emerging ELDC local plan both of which are evidence based documents.

2.2 What research or evidence has been undertaken to demonstrate the need , demand or impact of this project? Please attach or provide links to completed studies and impact assessments where available.

An employment needs survey has been undertaken as part of the evidence base to support the preparation of the Local Development framework for the East Lindsey District area. This research identified a shortage of developable land in the Skegness area and led to the inclusion in the emerging Local Plan of a policy whereby the currently allocation of employment land for Skegness (the Skegness Countryside Business Park site which has an extant consent) should be retained and brought forward.

The findings of the employment needs survey have also recently been further reinforced through the employment land availability study by Gleeds which indicates that East Lindsey Districts undersupply issues can be addressed by removing the constraints that exist on the private sector developing the Skegness Countryside Business Park.

In addition to the evidence of demand for serviced employment land outlined above, there is separate evidence of the need for additional speculatively built workspace in Skegness. A report by Ekosgen from 2015 reported a serious undersupply of industrial properties to meet demand in the East Lindsey area.

Finally there are recorded enquires for employment land and premises in Skegness which remain unmet.

In regard to the wider benefits such as creating a connection for the future relief road and an arrival gateway these are evidenced in 2014 town vision document, the local plan and the Local Transport Plan.

2.3 Please explain how the project will deliver the strategic objectives of the Local Enterprise Partnership area and will demonstrate alignment with other local growth priorities. How will the project support the key principles of sustainable development – including Equality and Diversity assessments.

The Greater Lincolnshire SEP - identifies those employment sectors which are critical to the health of the Lincolnshire economy and proposes strategies to support their growth.

Sectors named specifically within the SEP are: Engineering, Agri-Food and the Visitor Economy.

Whilst these sectors are important to Greater Lincolnshire as a whole, each is also extremely relevant to the Skegness area.

The resort of Skegness is well recognised as a key asset in the Lincolnshire Visitor Economy and contributes over £500m per annum to the £1.6bn of wealth generated in the county by tourism. For the tourism industry to thrive however it needs a robust and sustainable network of supply and support industries such as laundries to provide clean bedding to visitor accommodation and wholesalers to provide goods for sale through beachfront shops. The existing Skegness Industrial estate is the locational focus for many of these support businesses. If the tourism industry in the town is to grow the supply and services network will also need to expand and this can only be achieved if the serviced land and premises to be delivered by the Gateway Development project come to fruition

In addition to its value to the larger tourism industry, the town and its small business community play a key role in supporting the farming community within the Lincolnshire coastal strip. There is a clearly discernible supply chain between SME's based on the existing Skegness employment parks and the farming community in areas such as agricultural machinery servicing and repair, drainage contracting etc. As farming practices continue to evolve with movement to ever increasing precision farming it is expected that support services will need to become more high tech and more immediately responsive. This is likely to create a local demand for space to accommodate these support businesses.

Skegness as a business location is at the forefront of supporting two of Lincolnshire's headline employment sectors by providing a home to the associated supply chain companies. Only through successful supply chains will the headline sectors be able to grow.

The SEP recognises that for the headline employment sectors to prosper there is a need:

"to maintain a supply of high quality, serviced employment sites and premises across Greater Lincolnshire to support the attraction of inward investment and facilitate the expansion of existing (SME) businesses; this will include promotion of our existing Enterprise Zones (EZ) in North and North East Lincolnshire and exploring the potential to develop further, EZ-based initiatives in other parts of Greater Lincolnshire".

This statement is equally true of the supply chains and services providers to the bigger businesses.

The Skegness Gateway Development Project will contribute directly towards this objective providing accommodation not only for headline businesses but also to the supply chain.

The Vision For Skegness – This document (produced by the Skegness Business and Landowner community) proposes a new growth corridor wrapping around the western side of Skegness, ultimately accommodating new employment, commercial leisure, retailing and housing uses. The Skegness Gateway Development Project directly contributes to the aspirations set out in this vision document in that it will create a point of access for

the new relief road (which is to run at the heart of the growth corridor) and will also provide the serviced employment land which will ensure that those taking up the new residential opportunities in the growth corridor also have access to employment.

3. Project Timeline and Milestones

Please outline the key steps that have been, or will be, completed to ensure delivery of the project

Milestone	Forecast Date	Comments
Initial scheme design complete phase 1 and 2		completed
Feasibility work completed (phase 1 and 2)		completed
Acquisition of statutory powers		Not applicable
Detailed design completed		Phase 2 completed, Phase 1 to commence January 2018
Planning Permission submitted		Planning Permissions Obtained for phase 2. Planning applications for phase 1 to be made end January 2018 and expected to be granted April 2018
Match funding secured		LCC match confirmed
Procurement process issued		Proposing Call Off against PAGABO Framework with Early Contractor Engagement and design January 2018
Contracting with GLLEP	May 2018	
Start of construction	August 2018	
LEP approval to proceed with Phase 2	December 2018	
Phase 2 Commences	January 2019	

Please provide details on any other key work or stages that need to be completed (by when) to ensure delivery

Milestone	Forecast Date	Comments
Complete construction of workspace units and phase 1 land	August 2019	
Complete phase 2	October 2019	
Release Final Retention sums for phase 1	August 2020	
Financial Completion	January 2021	

4. Options Analysis

4.1 Why should the project receive LEP funding?

The Skegness Gateway Development Project's primary objective is to provide new business infrastructure for Skegness to support the future growth of its business base and economy.

Business infrastructure can be provided by the private sector, however where the market is such that the returns on investment (rents and proceeds of sale) are not expected to cover the total investment costs and yield a profit, it is almost certain that private sector investment will not occur. Values in Skegness are such that a development viability gap can clearly be seen and as such it is unlikely that the necessary infrastructure will be provided by the private sector. If this necessary business infrastructure is to be provided, there is a role for the public sector to intervene to address market failure.

The first priority for public intervention is to immediately and in short order address the chronic shortage of serviced employment land and readily available business premises in Skegness. This is Phase 1 of the project as described and has an estimated total bill of £2.329m. Lincolnshire County Council has secured from its limited capital resources, £1.05m to direct towards the delivery of phase 1 of the project, but cannot currently fund the entire phase 1 project costs. If phase 1 of the project is to be delivered it requires £1.279m of GLLEP grant support.

Beyond the delivery of phase 1, further serviced employment land for Skegness can only come forward through the creation of a new access to the consented land from the A52, in the form of a roundabout junction, and on site infrastructure.

The upfront cost associated with the A52 roundabout, at approximately £4m are a significant burden on the projected returns from the first tranche of land that will be brought to the market through phase 2 of the project and at current land values makes the phase 2 project unviable.

The offsite infrastructure to be created through phase 2 (the roundabout on the A52) also has wider public benefits which should not be attributed to the private sector partner.

The justification for GLLEP investment into the phase 2 project is that the project has a negative viability equation and also includes costs associated with public infrastructure. LCC does not have sufficient resource to both fund the public works element and bridge the viability gap. LCC proposes to reinvest the proceeds it will derive from selling land from phase 1 into phase 2 but there remains a gap. GLLEP are being asked to provide grant to cover this gap.

A number of options designed to bring forward the Skegness Countryside Business Park as part of the Gateway development have already been presented to and discussed at length with GLLEP. The option now presented is the only one which provides the necessary cashflow to enable the project to commence in a way which will result in the provision of serviced land and workspace before occupiers are required to commit to leases or purchases and which fairly share risk between Croftmarsh (the landowner) GLLEP and LCC.

4.2 What other funding or delivery mechanisms have been considered to deliver the proposed activity?

We have sought to deliver the project via a partnering approach with the private sector.

Two alternative options have been considered and discounted.

Option 1 would require £4m of GLLEP grant and would involve construction of the A52 roundabout and estate roads as initial works with workspace to follow. This approach requires a significant investment from the private sector partner at the project outset with anticipated significant delay before returns are forthcoming. The private sector partner's view is that the cashflow and risk implications for them are unsustainable with this approach.

Option 2 involved the public sector partners (LCC and GLLEP) funding the A52 roundabout and the workspace units but waiting until occupiers were found before the private sector partner invested in the estate roads and site servicing. This approach required £4m of GLLEP support. The view of GLLEP is that this approach was too risky in regard to the timescales for delivery of job and business outputs.

Option 3 as described in this application is the only remaining option for bringing the project forward that we have been able to identify.

4.3 Why is the proposed activity considered the most appropriate solution for Greater Lincolnshire?

Strong market towns with diverse business bases serving vibrant rural hinterlands are crucial to the economic future of Lincolnshire. There is significant public sector investment already being made into a number of projects across the town designed to help accessibility and extend the tourism season, but none will directly address the chronic shortage of modern industrial premises and spade ready serviced development land which are needed for a broad economic base.

Without this project there is the risk that Skegness will diminish as a multisectoral economy and become even more dominated by tourism, with the associated issues of seasonality of employment and low wages.

4.4 Additionality: What will the project deliver above and beyond what would happen anyway?

None of the employment land or workspace outputs described in this application, nor the associated jobs and businesses created and safeguarded will be delivered in Skegness if the Skegness Countryside Business Park as part of the gateway development is not delivered.

It should also be noted that the Skegness Gateway Development Project will bring additionality to other investments already being made in Skegness including some receiving public sector support. For example, the Gateway project will deliver new bus stops, Cycleways and footways along the A52 from the gateway point to connect in with those being established through Go Skegness.

Additionally the Skegness Relief Road (which cannot be delivered without the Gateway project) will allow traffic calming along Grand and Central Parade and other parts of the foreshore, enabling what is currently highway infrastructure in these areas, to be repurposed as public realm. This may allow space around developments such as the new hotel on Pier Gardens to be used as outdoor piazza rather than roads and parking areas.

As a final example of additionality provided to other known ongoing investment, it can be argued that facilitating a relief road between the A52 and the A158 (and potentially on to north of Ingoldmells) will allow better integration of major tourist hubs such as Fantasy Island, Butlin's and Hardy's Caravan parks into the town of Skegness by reducing journey times and permitting the rerouting (along faster roads) of existing public transport services thereby reducing tourists travel time and increasing spend time.

4.5 Scalability: What would happen if reduced LEP funding was available?

Significant value engineering of the scheme has already been undertaken. It would be possible to reduce the project such that only phase 1 is delivered, however there would be an associated reduction of outputs and in terms of impact the project would do little other than provide economic infrastructure to meet existing pent up demand. No supply of serviced employment land to support future employment growth would be provided.

Please note that as a result of submitting this application form we are seeking a formal approval of phase 1 of the project and an in principle approval of phase 2. We would expect to provide further cost information in regard to phase 2 and undergo an additional due diligence process before phase 2 is fully contracted by the LEP.

4.6 Displacement: will the proposed intervention lead to a reduction in economic activity elsewhere in Greater Lincolnshire?

Whilst clearly forming part of the wider Greater Lincolnshire Economy, the town of Skegness and its hinterland do constitute a "functioning economic area" or travel to work area. As such the business infrastructure that is to be created through the project is not expected to create any displacement of jobs. It is expected that businesses occupying these new premises will be either existing local businesses who are growing into larger premises (freeing up other space for additional businesses), or new start firms.

The public infrastructure that is created will be specific to Skegness and will be used by all that live in or visit Skegness. No displacement is expected to arise from this infrastructure.

5. Proposed Costs

5.1.1 Funding Profile Phase 1

	Previous Years	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Future Years	Total
i) Capital						
LEP			1,151,100	127,900		1,279,000
Public			948,900	101,100		1,050,000
Private						
Total Capital			2,100,000	229,000		2,329,000

ii) Revenue Costs						
Total revenue						
Total Project Costs (PHASE 1)			2,100,000	229,000		2,329,000
Total LEP Funding			1,151,100	127,900		1,279,000

5.1.2 Funding Profile Phase 2						
	Previous Years	Year 1 2017/18	Year 2 2018/19	Year 3 2019/20	Future Years	Total
i) Capital						
LEP			544,200	2,176,800		2,721,000
Public			195,080	780,320		975,400
Private			1,373,120	5,492,480		6,865,600
Total Capital			2,112,400	8,449,600		10,562,000
ii) Revenue Costs						
Total revenue						
Total Project Costs (PHASE 2)			2,112,400	8,449,600		10,562,000
Grand Total All Phases			4,212,400	8,678,600		12,891,000
Total LEP Funding All Phases			1,695,300	2,304,700		4,000,000

5.2 Please provide more detail on what LEP funding will be spent on
<p>The GLLEP funding will be direct towards the following</p> <p>In Phase 1</p> <p>costs of purchasing development land costs of extending Hassall Road Utility services costs, Construction of workspace Fees</p> <p>In Phase 2</p>

Costs of constructing the A52 roundabout
Cost of constructing estate roads
Costs of constructing the new drainage ditch,
Utility costs
Fees

5.3 Please detail the key assumptions used in the development of your budget and the research completed to prepare it, including how you ensure that the costs are commensurate with the required quality.

Phase 1 – All phase 1 construction costs are estimates based on industry provided cost information. Early Contractor Engagement is being sought to refine these prices (through contractor input) during the GLLEP due diligence process. Land acquisition costs are negotiated purchase prices supported by Chartered Valuation Surveyor certification of values.

Phase 2 – Costs are actual tender prices taken from an activity schedule submitted in January 2016 for the construction of a new roundabout in the location proposed, with appropriate updating for inflation. Fees are calculated by reference to a schedule of rates within a Framework Contract.

5.4 State the source(s) of your match funding, whether it is in place and if not, when is it likely to be confirmed?

Lincolnshire County Council's contribution to the project has been confirmed via an Executive Councillor decision notice and exists within the council's publish capital programme.

The contribution of land and cash by Croftmarsh will be secured by written agreement between LCC and Croftmarsh.



6. Forecast Outputs									
6.1 Output Profile									
	2017/18	2018/19	2019/20	2020/21	2021/22	Future Years	Total		
i) Core Outputs (Strategic Economic Plan)									
Public Investment Leveraged (£)		1,143,980	881,420						
Private Sector Investment Leveraged (£)			6,865,600						
Number of new Jobs Created (gross)			7	40	66	425			
Number of Jobs Safeguarded (gross)		10	8		264	1700			
Number of new housing units completed									
ii) Local Strategic Outputs									
Commercial floorspace refurbished/constructed and occupied (sqm)									
Number of businesses assisted to improve performance			557						
Number of learners supported									
Number of new businesses created			3	4	28	30			
GVA Uplift									
iii) Others (please list) *									
Total Length Of Resurfaced Roads (M)		200							
Total Length of Newly Built Roads (M)			437	450		500			
Total length Of New Cycleway (M)				400					
Type Of Service Improvements Delivered				1		1			
Area of Site Reclaimed, Developed Or Assembled (HA)				1.5	4	25.5	31		
Follow On Investment At Site (£)				3,250,000	5,000,000	33,250,000			
Commercial Floorspace Occupied (SQM)				1486	13200	85,000			

* please refer to appendices for full list of BIS indicators

<p>6.2 Please describe the rationale and assumptions you have made in establishing the outputs and results which will be achieved. This must link clearly to the project's activity and objectives. Please explain your method for calculating the target levels</p> <p>Public sector leverage is LCC contribution to project costs.</p> <p>Private sector leverage is Croftmarsh contributed land and cash.</p> <p>New jobs is based on an assumption that 1 job will be delivered from each 40 sqm of floorspace and that of all jobs 20% will be new.</p> <p>Safeguarded jobs are based on the balance of 80% of total jobs assuming 1 job per 40 sqm of floorspace.</p>
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<p>Commercial Floorspace Constructed is based on workspace to be provided through project activities.</p> <p>Businesses Supported assumes one business per 200 sqm and 75% of all businesses are new starts.</p> <p>Length of Road Resurfaced is scaled from project drawing.</p> <p>Total length of newly built roads is scaled from drawings assuming that permitted employment site estate roads are built in two further phases of work.</p> <p>Total length of new cycleway is scaled from project drawings.</p> <p>Type of service improvements delivered is based on knowledge that water and electricity supply reinforcements will be required in order to facilitate employment park development.</p> <p>Area of site reclaimed, developed or assembled is based on anticipated rate of release of serviced plots on employment park.</p> <p>Follow on investment is based on costs of unlocking employment land in a fully serviced form plus likely costs of build out assuming 3500 sqm per hectare.</p> <p>Commercial floorspace occupied assumes 3500 sqm per hectare.</p>	
<p>6.3 Please outline how the project will gather and assess evidence of outputs and results, in line with the LEP's monitoring and evaluation framework.</p> <p>Public Investment Leveraged (£) – through project monitoring reports and grant claims</p> <p>Private Sector Investment Leveraged (£) - through project monitoring reports and grant claims</p> <p>Number of new Jobs Created (gross) – through annual survey of new workspace and wider business park residents.</p> <p>Number of Jobs Safe guarded (gross) - by reference to as built drawings supported by photographic record - through annual survey of new workspace and wider business park residents.</p> <p>Commercial floorspace refurbished/constructed and occupied (sqm) – by reference to as built drawings for workspace units</p> <p>Number of new businesses created - through annual survey of new workspace and wider business park residents.</p> <p>Total Length Of Resurfaced Roads (M) – by reference to as built drawings supported by photographic record.</p> <p>Total Length of Newly Built Roads (M) - by reference to as built drawings supported by photographic record</p> <p>Total length Of New Cycleway (M) - by reference to as built drawings supported by photographic record</p> <p>Type Of Service Improvements Delivered – Correspondence with utility companies</p> <p>Area of Site Reclaimed, Developed Or Assembled (HA) – From planning permission records for the locality, monitored annually</p> <p>Follow On Investment At Site (£) – By survey of business park residents and information gathered from other nearby developments</p> <p>Commercial Floorspace Occupied (SQM) – by survey of business park residents</p>	

7. Management & Control

7.1 Please describe whether or not the necessary team is in place to carry out the proposed activity in Greater Lincolnshire and if not what the plans are to recruit the relevant expertise? Please insert structure chart, if available.

Lincolnshire County Council has a track record of delivering major capital infrastructure projects through its Environment And Economy Directorate. An experienced project lead and supporting staff have been identified to implement the Skegness Gateway Development project. Technical support is available through a number of partnering arrangements and framework contracts to which LCC has access.

Project Lead – Paul Wheatley (Group Manager Economic Development)

Technical Lead – Steve Brooks (Project Manager Lincolnshire County Council Technical Services Partnership)

Legal Lead – Ruth Crouch (Principal Solicitor Legal Services Lincolnshire)

Financial Lead – John Grattrick (LCC Treasury Services)

7.2 What evidence can you provide that processes meet, or will meet, the public procurement requirements, including:

- **Advertising contract opportunities to the market; and**
- **Evaluating bids in an open transparent and non-discriminatory manner.**

The Skegness Countryside Business Park as part of the Gateway Development Project primarily comprises civil engineering and design and construction activities. It is LCC's policy to use EU compliant Framework Contracts wherever possible to procure these types of works either via call off or mini competition.

It is intended that all works will be procured through the PAGABO framework for which LCC has signed the access agreement.

7.3 Please outline the financial management and control systems that would be used for the project, including the process for compiling and authorising Greater Lincolnshire LEP claims for payment?

All project expenditure on the project will be managed through the accounts of Lincolnshire County Council using a budget code unique to this specific project.

Lincolnshire County Council has in place strong financial procedures to ensure that there are segregation of responsibilities in both requisition and financial commitment and also in invoice approval and payment. These systems are designed to prevent erroneous or fraudulent ordering or payment.

Claims to drawdown approved grant will be made in accordance with the timetable agreed with GLLEP and will be made in arrears based on expenditure defrayed prior to the claim date.

Claims will be prepared by the project lead and his financial support using evidence of expenditure defrayed in the period obtained from the Council's Agresso accountancy system. Hard copy evidence to support and substantiate the value of claims (in the form of copies of invoices paid) will also be included with the claims. The claims will be checked and certified by a member of the council's treasury team before submission to GLLEP.

All claims will use templates and forms and be in the format prescribed by GLLEP.

7.4 Only eligible and defrayed expenditure can be included in a claim to the LEP. Please explain how the project will manage its cash flow throughout the project's lifetime

Lincolnshire County Council operates a multi-million pound rolling capital programme. Where there are known commitments of grant or income to a project, the council is able to borrow funds in order to cashflow scheme expenditure until grant or income is received.

7.5 State Aid: The Greater Lincolnshire LEP and its accountable body are required to ensure that funding complies with the rules on state aid. State aid is any advantage granted by public authorities through state resources on a selective basis to any organisations that could potentially distort competition and trade in the European Union (EU). If your project proposal constitutes state aid we will be unable to fund it unless you can demonstrate that it is outside the scope of or exempt from state aid rules. If you believe this to be the case please provide an explanation below.

In order to ensure that the Skegness Gateway Development Project proposals can be delivered in a State aid compliant manner, Lincolnshire County Council has procured specialist State Aid Legal advice from Eversheds solicitors. The summary of this advice is as follows:

The construction of workspace units by Lincolnshire County council and the disposal (sale or letting) of those workspaces does not constitute State Aid providing the workspace are disposed of at market value.

The purchase of land and the carrying out of civil engineering activities to service it ready for development and the subsequent sale of the land to end businesses at market values is a permitted activity under the GBER.

The construction of general public infrastructure has been determined under European Law not to constitute State Aid.

The provision of infrastructure which provides a financial benefit to a land owner or releases them from an cost obligation can be considered State Aid however the situation has to be looked at in the context of Article 56 (aid for local infrastructure) of the GBER which allows them to receive a certain level of public funding support where the infrastructure costs create a negative development equation. We have calculated parts of phase 2 of the project could create a state aid benefit to Croftmarsh above the permitted level when they actually sell land for commercial development. A mechanism has been put in place to recover this benefit as a clawback against each land sale (a rate per acre sold).

7.6 Please explain the key risks identified for the project and how these will be managed and mitigated throughout the project. Please attach separate risk register, if available.

Risk	Owner	Probability	Impact	Mitigation
Construction costs are higher than expected	LCC	Medium	High	We have sought to obtain tendered prices or contractor based estimates as part of developing the projects business plan. An element of risk pot has also been included in the overall budget.
Delayed start / completion to works	LCC	medium	Medium	Delayed start or completion of works would impact on delivery of outputs. We have allowed some contingency in the project programme to accommodate this. The use of Framework Contracts with Early Contractor Engagement is expected to help avoid delays to construction commencement
Croftmarsh Do not market employment land for sale once opened up	LCC	Low	High	We are seeking an appropriate written assurance from Croftmarsh
There are no customers for the opened up employment land / workspace	LCC	Medium	High	We are aware that the property market in Skegness is not as buoyant as for other parts of the county however we have

				undertaken significant research and soft marketing to identify the need for the proposed products and there is known and identified pent up demand

7.7 Publicity: Please explain what media and communication arrangements you will use to raise awareness of the project and use of LEP funding?

It is our intention to promote the project through both printed and online media.

Availability of employment land and workspace will be promoted through the Economic Development pages of Lincolnshire County Council's corporate website, which is also linked to the Lincolnshire Business Growth Hub website.

The provision of general infrastructure to facilitate the growth of Skegness will also be promoted on the LCC website with promotional materials also being provided for inclusion on websites maintained by GLLEP, ELDC and the Coastal BIG. It is hoped that images from the project can also be included in the Team Lincolnshire Toolkit.

More traditional marketing will be in the form of signage and written press releases provided to the printed media.

Reference to LEP funding will be included in all materials (printed or electronic) and include the appropriate DCLG artwork.

7.8 Exit Strategy: How will project delivery be sustained beyond the initial period of activity funded by the Greater Lincolnshire LEP?

The employment land opened up through the phase 1 project will be managed and maintain by Lincolnshire County council until sold to end users who will then procure their own buildings and take on responsibility for future maintenance.

The new workspace units will be managed (maintained, let and operated) by Lincolnshire County Council through its economic development service with costs being recovered through occupier service charges.

General infrastructure (i.e. roundabout, highways, footways and cycleways etc.) created through phase 2 of the project will be maintained in perpetuity by Lincolnshire County Council as works adopted for maintenance at public expense.

Land created through phase 2 of the project will be maintained by Croftmarsh until sold with the purchasers then assuming responsibility for maintenance.

Estate roads will be adopted as public highways.

8. Supporting documents checklist

Where applicable, please submit the following documents with your Full Application

Document	Supporting Notes	Applicant's comments
Project Site Plan and copy of relevant planning permissions	Showing clear boundaries of all areas to be included in project	
Explanation of match funding arrangements and estimated timescale for approval	The GL LEP will need to understand where match funding will be sourced from in order to demonstrate deliverability of the overall scheme	Evidence provided with previous application
Detailed cashflow and breakdown of budget	To demonstrate a) cost items are eligible for GL LEP Funds b) the forecast cost c) how the costs will be profiled across the project lifetime.	Attached
If applicable, proof of irrecoverable VAT on eligible costs	Please supply proof of irrecoverable VAT on eligible costs	N/A
Applicant organisation's relevant policies, including Equality & Diversity Policy, Sustainability Policy	You are responsible for ensuring any Delivery Partners hold a policy	Previously provided
Gantt Chart	To reflect the key milestones during project set-up, implementation and closure.	Attached
Organogram	An up-to-date organisation chart, including the GL LEP Funds project delivery team. Also, for delivery partners, if applicable.	Attached
Applicant's procurement policy if available	Note that LEP procurement rules supersede organisation's procurement policy	Please see LCC website
Other	Any other key, relevant, documents you consider should be submitted including project feasibility studies and impact assessments.	

9. Links for further information

[Greater Lincolnshire LEP Strategic Economic Plan and Assurance Framework](#)

10. Declaration

I declare that I have the authority to represent Lincolnshire County Council in making this application. I understand that acceptance of this Application does not in any way signify that the project is eligible for Greater Lincolnshire Local Enterprise Partnership support or that LEP Funds has been approved towards it. On behalf of Lincolnshire County council and having carried out full and proper inquiry, I confirm to the Greater Lincolnshire LEP:

- Lincolnshire County Council has the legal authority to carry out the project; and
- That the information provided in this application is accurate.

I confirm to the Greater Lincolnshire LEP:

- I have informed all persons in relation to whom I have provided personal information of the details of the personal information I have provided to you and of the purposes for which this information will be used and that I have the consent of the individuals concerned to pass this information to you for these purposes.
- That I shall inform the Greater Lincolnshire LEP if, prior to any LEP Funds being legally committed to Lincolnshire County Council I become aware of any further information which might reasonably be considered as material to the LEP in deciding whether to fund the application.
- An explanation of all match funding arrangements to deliver the scheme will be provided to the Greater Lincolnshire LEP prior to the award of LEP Funds.
- I am aware that if the information given in this application turns out to be false or misleading the Greater Lincolnshire LEP may demand the repayment of funding and/or terminate a funding agreement pertaining to this Application.
- All relevant documents are retained with a view to providing relevant information in the event of an audit or other investigation

I confirm that I am aware that checks can be made to the relevant authorities to verify this declaration and any person who knowingly or recklessly makes any false statement for the purpose of obtaining grant or for the purpose of assisting any person to obtain grant is liable to be prosecuted. A false or misleading statement will also mean that approval may be revoked and any grant may be withheld or recovered with interest. I am aware that if the Applicant commences any project activity, or enters any legal contracts or makes any binding commitments, for which LEP funding is sought (including the ordering or purchasing of any equipment or services before both the formal approval of the project and the execution of the Greater Lincolnshire LEP Funding Agreement), that this expenditure is incurred at the Applicant's own risk as it may not be compliant with Greater Lincolnshire LEP funding requirements.

Signed For and on behalf of the Applicant Organisation

Name (BLOCK CAPITALS) Date:

11. Next Steps	
Please forward the completed version of this form by <i>[insert deadline]</i> to	
Name	
Address	
Email	

Appendix 1 – BIS Project Monitoring Core Metrics (to be collected for all projects and programmes)

Inputs		Unit	Frequency	Definition	Data Source
Expenditure		£, by source	Quarterly	Expenditure defrayed directly on the intervention, broken down into LGF funds, other public sector funds and private funds. Where expenditure takes the form of grant support to applicants (e.g. skills capital, some business support), the amount of grant paid to successful applicants should be reported (not the amount approved).	LEP Monitoring Information
Funding breakdown		£, by source	Quarterly	Non LGF Funding delivered - including public, private and third sector match funding, broken down by source. This should not include in-kind contributions	LEP Monitoring Information
In-kind resources provided		Qualitative	Quarterly	Land, buildings or other assets provided to resource the intervention	LEP Monitoring Information
Outcomes					
Jobs connected to the intervention	FTEs		Annually	Permanent paid full time equivalent jobs that are directly connected to the intervention, measured by FTE at predetermined "impact sites". This includes: - Employment on occupied commercial premises (in the case of site development) - Employment in supported enterprises (in the case of business or innovation support) - Employment in FE space directly improved or constructed by the intervention "Impact" sites are those sites where there has been a demonstrable unlocking impact as a result of Growth Deals projects (e.g. transport, skills capital) - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting. Excludes jobs created solely to deliver the intervention, e.g. construction jobs. Likely to require primary survey work. Employment is counted gross - no account of deadweight or displacement at the monitoring stage.	Scheme sponsor
Commercial floorspace constructed	sq m, by class		Annually	For both direct employment sites and "impact" sites, the area and class of commercial floorspace completed. "Impact" sites are defined as for jobs created above. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007. A building should be classified as completed once it is on the non-domestic rating list. Does not take account of refurbished floorspace.	Scheme sponsor
Housing unit starts	Number		Annually	For both direct housing sites and "impact" sites, the number of housing units completed. "Impact" sites are defined as for jobs created above.	Scheme sponsor
Housing units completed	Number		Annually	For both direct housing sites and "impact" sites, the number of housing units completed. "Impact" sites are defined as for jobs created above.	Scheme sponsor

Appendix 2 – BIS Project Specific Outputs and Outcomes (to be collected where relevant to the intervention)

Activity / Output Characteristics		Unit	Frequency	Definition	Data Source
Transport					
Total length of resurfaced roads	Km	Quarterly	Length of road for which maintenance works have been completed	Scheme sponsor monitoring information	
Total length of newly built roads	Km	Quarterly	Length of road for which works have been completed and now open for public use	Scheme sponsor monitoring information	
Total length of new cycle ways	Km	Quarterly	Length of cycle way for which works have been completed and now open for public use	Scheme sponsor monitoring information	
Type of infrastructure delivered		Bi-Annually	Identify what has been constructed as a result of the project - utilise units where appropriate e.g. length of cycle path	Scheme sponsor monitoring information	
Type of service improvement delivered		Bi-Annually	Identify the nature of service improvement as a result of the intervention e.g. improved bus service	Scheme sponsor monitoring information	
Land / Property Flood Protection					
Area of site reclaimed, (re)developed or assembled	ha	Quarterly	Area of land directly improved by the project that is now suitable for commercial development where previously it was unattractive to commercial developers. Reclaimed: making the land fit for use by removing physical constraints to development or improving the land for hard end use; providing services to open it up for development, e.g. provision of utilities or service roads	Scheme sponsor monitoring information	
Utilities installed		Quarterly	Identify what has been constructed as a result of the project. Drop down list: water pipe; gas pipe, electric cables, internet cable. And km of cabling/piping	Scheme sponsor monitoring information	
Area of land experiencing a reduction in flooding likelihood	ha	Quarterly	Area of land with a reduced likelihood of flooding as a result of the project	Scheme sponsor monitoring information	
Business Support, Innovation and Broadband					
Number of enterprises receiving non-financial support		Quarterly	Number of SMEs receiving support (including advice and training) with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Value of the support should be a minimum of £1,000, calculated at Gross Grant Equivalent (see ERDF guidance) or a minimum of 2 days of consulting advice.	Scheme sponsor monitoring information	
Number of new enterprises supported		Quarterly	As above, but businesses that have been trading for less than three years.	Scheme sponsor monitoring information	

	Unit	Frequency	Definition	Data Source
Number of potential entrepreneurs assisted to be enterprise ready		Quarterly	Number of individuals receiving non-financial support (i.e. advice or training) with the intention of commencement of trading	Scheme sponsor monitoring information
Number of enterprises receiving grant support		Quarterly	Number of SMEs receiving grant funding support with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). To be counted where the support is at least £1,000.	Scheme sponsor monitoring information
Number of enterprises receiving financial support other than grants		Quarterly	Number of SMEs receiving funding support in the form of equity or repayable loan instruments with the intention of improving performance (i.e. reduce costs, increase turnover/profit, innovation, exporting). Counted where amount of support is at least £1,000.	Scheme sponsor monitoring information
Additional businesses with broadband access of at least 30mbps		Quarterly	For broadband interventions only: number of additional commercial premises that, as a result of intervention, now have the option to access broadband of at least 30mbps (average), where this was not previously the case	Scheme sponsor monitoring information
Skills Capital				
New build training/learning floorspace	Sq m	Quarterly	The amount of "new build" training/learning floorspace constructed. Figures to be provided following completion.	LEP to record from Post Occupancy Evaluation reports (standard reports submitted to SFA on project completion) and/or project implementation reports submitted by colleges/providers
Refurbished training/learning facilities	Sq m (where FE colleges are involved, by estate grading)	Quarterly	The amount of new training/learning floorspace refurbished to improve building condition and/or fitness for purpose. For FE colleges, this should be by estate grading. Figures to be provided following completion.	LEP to record from Post Occupancy Evaluation reports and/or project implementation reports submitted by colleges/providers
Floorspace rationalised	Sq m	Quarterly	The amount of overall floorspace reduced following completion of the project through, for example, demolition or disposal. Figures to be provided following completion.	LEP to record from Post Occupancy Evaluation reports and/or project implementation reports submitted by colleges/providers

Unit		Frequency	Definition	Data Source
Outcomes				
Transport				
Follow on investment at site	£, by source	Annually	For "impact" sites, the volume of public, private or third sector investment undertaken at the site over and above that directly associated with the Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions. "Impact" sites are those sites where there has been a demonstrable unlocking impact as a result of the Growth Deals transport project - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting. Likely to require primary survey work. Deliberately constructed as a gross measure, no correction for deadweight or displacement to be applied at this stage.	Scheme sponsor
Commercial floorspace occupied	sq m, by class	Annually	For "impact" sites, the area and class of commercial floorspace completed that is currently occupied by commercial tenants. "Impact" sites are those sites where there has been a demonstrable unlocking impact as a result of the Growth Deals transport project - these sites of "impact" are to be mutually agreed by LEP/HMG in advance of reporting. Likely to require primary survey work Impacts are gross - no account of displacement. This outcome is a further link of the chain proceeding from follow-on investment rather than a completely separate outcome	Scheme sponsor
Commercial rental values	£/sq m per month, by class	Annually	The market rate for leasing commercial floorspace at the "impact" site	Scheme sponsor
Land, Property, and Flood Protection				
Follow on investment at site	£, by source	Annually	For the project site, the volume of public, private or third sector investment undertaken at the site over and above that directly associated with the initial Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions.	Scheme sponsor
Commercial floorspace refurbished	sq m, by class	Annually	For project sites, the area and class of refurbished commercial floorspace. Floor areas should be measured in accordance with the RICS Code of measuring practice (6th edition) 2007.	Scheme sponsor
Commercial floorspace occupied	sq m, by class	Annually	For project sites, the area and class of commercial floorspace constructed/refurbished that is currently occupied by commercial tenants.	Scheme sponsor
Commercial rental values	£/sq m per month, by class	Annually	The market rate for leasing commercial floorspace at the project sites	Scheme sponsor

	Unit	Frequency	Definition	Data Source
Business Support, Innovation, and Broadband				
Financial return on access to finance schemes	%	Annually	The financial return to the scheme associated with revolving/repayable access to finance interventions - measured as a % return on initial investment.	Scheme sponsor monitoring information
Skills Capital				
Follow on investment at site, including revenue funding	£, by source	Annually	For the project site, the volume of public, private or third sector investment undertaken at the site (including revenue funding, for example for training courses) over and above that for the Growth Deals project, where there is a demonstrable link with the Growth Deals project. This should not include in-kind contributions.	College/SFA data
Post code for new build sites	Qualitative	Annually	Post code for new build sites, for matching with SFA database. This information can potentially be used by the SFA to draw out metrics on learners and qualifications at the site level, to be shared with LEPs.	Scheme sponsor monitoring information

Appendix 3 – BIS Additional Monitoring for Specific Schemes

	Unit	Frequency	Definition	Data Source
Transport - to be collected for all projects/programmes involving more than £5m public funding and where these metrics and the collection points are relevant to the intervention				
Average daily traffic and by peak/non-peak periods	Vehicles	Bi-Annually	Average daily traffic by direction; AM, Inter- and PM peak hour traffic flows by direction. Data collection location depends on the potential impact of transport schemes. Peak/inter-peak is defined based on local traffic flows. This applies to most transport Interventions.	Automatic Traffic Counters; Manual Classified Counts
Average AM and PM peak journey time per mile on key routes (journey time measurement)	hr/mile	Bi-Annually	Average AM and PM peak journey time per mile on key routes. Traffic congestion statistics reported across whole intervention area and on key corridors targeted for investment.	Trafficmaster data; Automatic Number Plate Recognition
Average AM and PM peak journey time on key routes (journey time measurement)	Minutes	Bi-Annually	Average AM and PM peak journey time on key routes. Data collection location depends on the potential impact of transport schemes.	Journey time surveys
Day-to-day travel time variability	Minutes	Bi-Annually	Standard deviation of AM and PM peak hour journey time. This applies to highway/public transport intervention on key corridors targeted for investment	Journey time surveys; Trafficmaster data

	Unit	Frequency	Definition	Data Source
Average annual CO2 emissions	Tonnes	Bi-Annually	Average annual CO2 emissions Report across whole intervention area	Local Authority Carbon Tool based on distance travelled, vehicle speed and vehicle mix
Accident rate	Number, by severity	Bi-Annually	Number of accidents and accident rate by severity and class of road. Report on key roads/junctions/area targeted for improvement. This metric applies to those schemes which are anticipated to have a significant impact on accidents.	STATS 19 Accident data
Casualty rate	Number, by severity	Bi-Annually	Number of casualties and casualty rate by severity and class of road user. Report on key roads/junctions/area targeted for improvement. This metric applies to those schemes which are anticipated to have a significant impact on accidents.	STATS 19 Accident data
Nitrogen Oxide and particulate emissions	NOX (tonnes); PM10 (µg/m3)	Bi-Annually	NOX emissions in tonnes per year; PM10 concentrations per year. Affected network is defined as the existing route, the new route, or an improved route on which traffic flow changes are considered to be significant. This metric applies to those schemes which are anticipated to have a significant impact on air quality.	Air quality monitoring survey
Traffic noise levels at receptor locations	LA10, 18hr (dB)	Bi-Annually	Traffic noise levels at receptor locations This depends on the scale of the proposed project, the site and local circumstances, and the location of sensitive receptors. This metric applies to those schemes which are anticipated to have a significant impact on noise.	Automatic Traffic Counters (18 hour Annual Average Weekday Traffic, composition of traffic - % Heavy Goods Vehicles, average traffic speeds); Noise monitoring survey
Annual average daily and peak hour passenger boardings		Bi-Annually	Annual average daily passenger boardings; AM, Inter- and PM peak hour passenger boardings	Bus/rail ticketing data; Manual counts at stops/stations
Bus/light rail travel time by peak period	Minutes	Bi-Annually	AM and PM peak bus/light rail travel time	Bus journey time surveys or Automatic Vehicle Location data; Rail journey timetable
Mode share (%)	%	Bi-Annually	AM and PM peak proportion of trips for different travel modes	Automatic Traffic Counters; Manual

Unit	Frequency	Definition	Data Source
			Classified Counts
Pedestrians counts on new/existing routes	Bi-Annually	Pedestrians counts on new/existing routes This applies to sustainable transport initiatives for walking.	Manual counts; Video cameras
Cycle journeys on new/existing routes	Bi-Annually	Cycle journeys on new/existing routes This applies to sustainable transport initiatives for cycling.	Manual cycle counts; Automatic cycling counters; Video cameras
Households with access to specific sites by mode within threshold times	Bi-Annually	Households with access to specific sites within 20/40 minutes using public transport/walking, car and cycle	Accessibility statistics published by DfT; Produce bespoke accessibility measures and travel time calculations using off-the-shelf software
Business Support, Innovation and Broadband - to be collected where more robust evaluation is planned and where these metrics are relevant to the intervention			
Detail of successful and unsuccessful applicants	On-going	Administrative database covering company name, address, post code and CRN - company reference number. Named contact, telephone number and email address (and consent for being contacted). This should be captured for both successful and unsuccessful applicants. Required for robust long term evaluation	Scheme sponsor monitoring information
Beneficiary characteristics (business age, size, sector)	On-going	Collected at the point of initial contact with business: - Age: year of business registration / founding year - Size: turnover and employment	Scheme sponsor monitoring information
Other support provided to applicant firm	£, by scheme	Other types of support received by successful applicants; covering the scheme, timing, type and value (£) of support received	Scheme sponsor monitoring information
Number of entrepreneurial readiness assists progressing to full trading	Number	The number of potential entrepreneurs assisted that have subsequently progressed to full trading. Will require a bespoke survey of beneficiaries - could do on a sample basis.	Scheme sponsor
Number of enterprises	Number	The number of treated SMEs working jointly with research entities after	Scheme sponsor

	Unit	Frequency	Definition	Data Source
assisted to cooperate with research entities/institutions			assistance has been given. Should be counted up to 3 years following support. Knowledge transfer is about transferring good ideas, research results and skills between the knowledge base and business to enable innovative new products and services to be developed	
Number of enterprises supported to introduce new to the market products	Number	Annually	The number of treated SMEs that successfully introduce a new-to-market product after assistance has been given. Product should be available for commercial purchase. Should be counted up to 3 years following support.	Scheme sponsor
Number of enterprises supported to introduce new to the firm products	Number	Annually	The number of treated SMEs that successfully introduce a new-to-firm product after assistance has been given. Product should be available for commercial purchase Should be counted up to 3 years following support.	Scheme sponsor

PCOM's Student and Adult Learning



Marketing Agency

1. All internal bookkeeping systems within the Dubson Park to be 2.5cm wide unless specified otherwise

Figure 11

APPROVED FOR GENERAL ISSUE

CLARENCE ONLY AT THE DRIVE-UP WINDOW. PLEASE ORDER FROM A DISTANCE TO PREVENT LINE

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<p>Checklist</p>	<p>Checklist</p>
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References

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CHRYSLER PAPER
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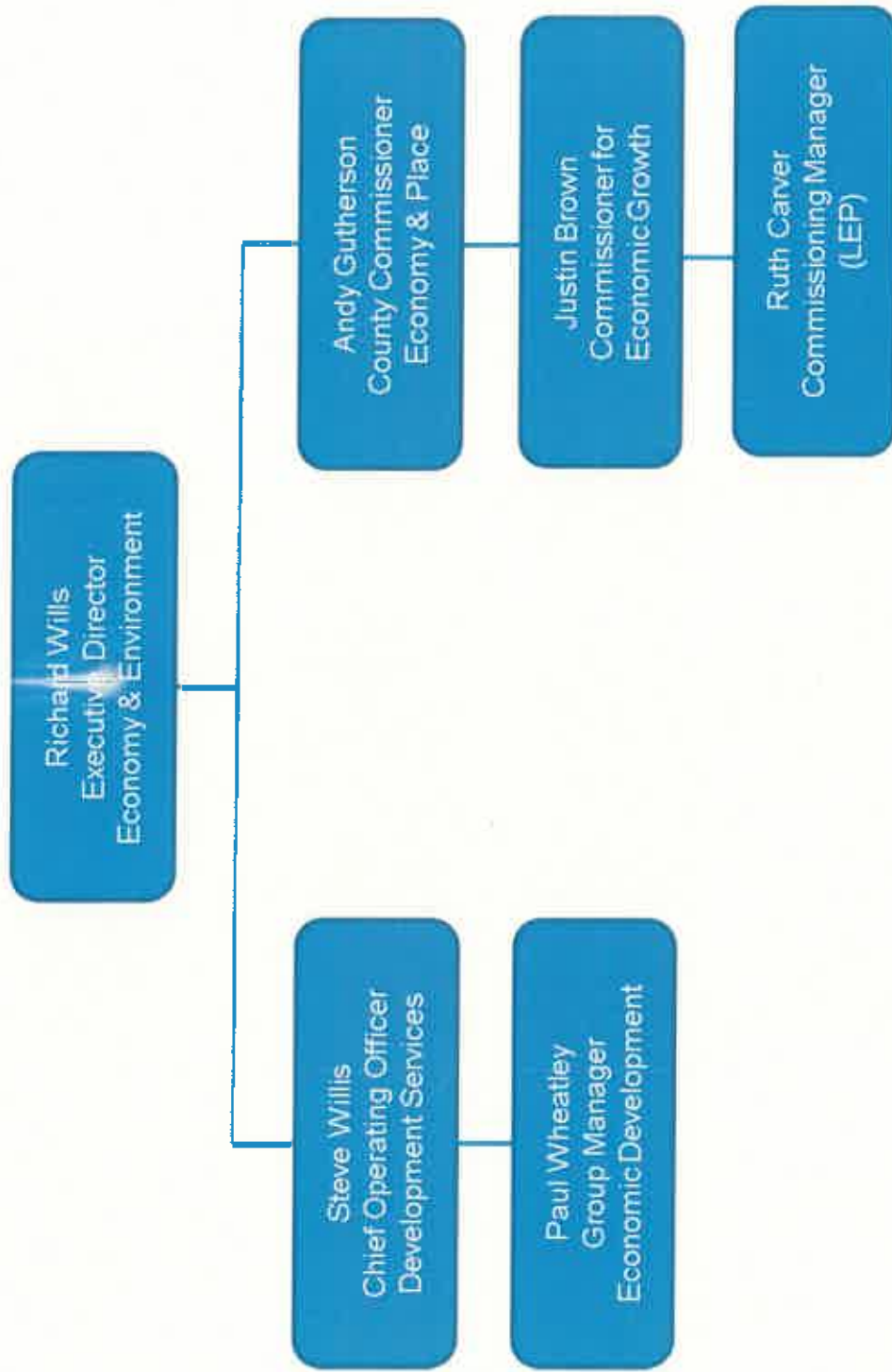
COLLEGE-BUILDING ALIGNMENT

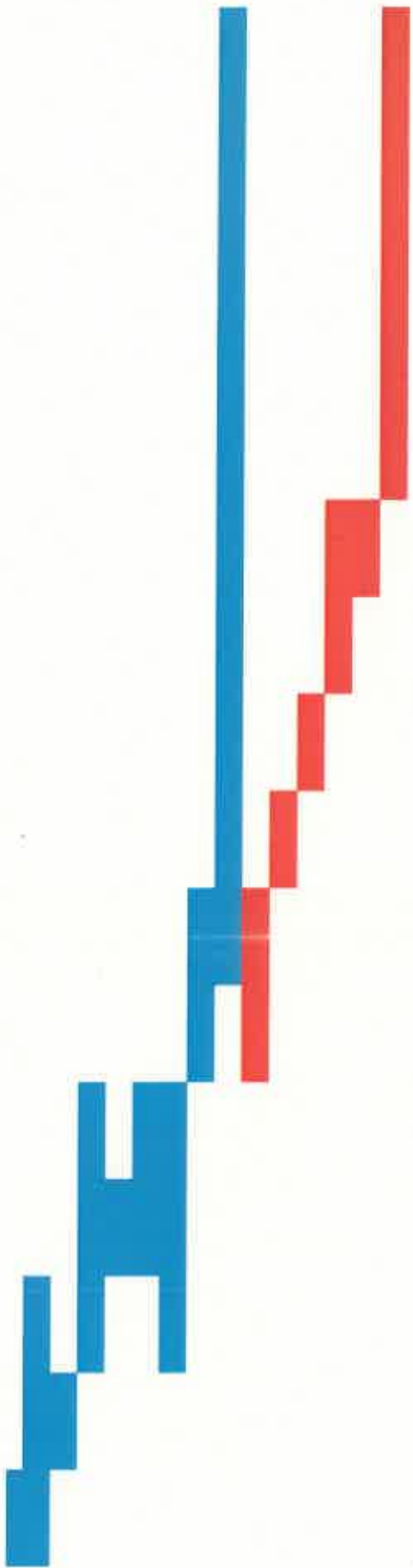
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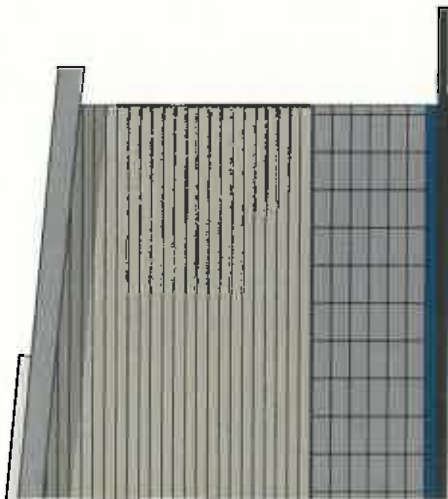
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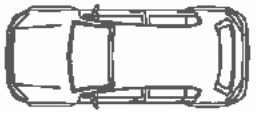

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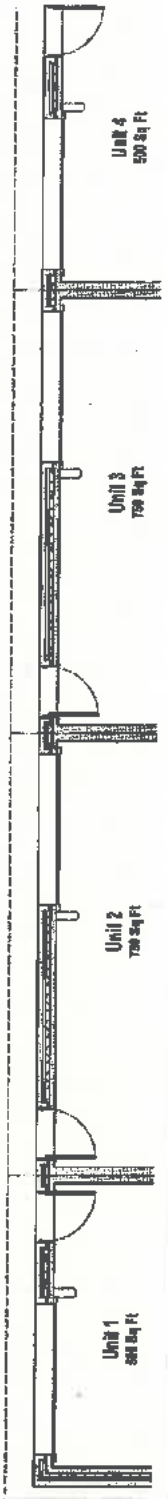
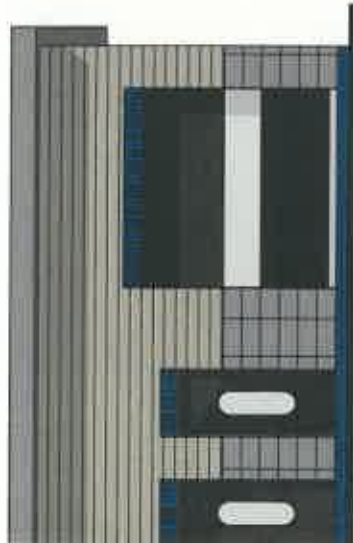




South West Elevation Δ

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North West Elevation ∇



Skegness Gateway Development

Cost estimate and analysis (with assumptions articulated)

Phase 1

Extension of Hassall Road, Servicing of 5 hectares and construction of 557 sqm of industrial workspace units

Item	Rate	Cost	Assumptions
Purchase of 5 HA of unserviced employment land	£110,000 per hectare (£45,000 per acre)	£550,000	Derived from Banks Long valuation
Extension Of Hassall Road	£1500 per metre	£300,000	Up to 200m of new highway (subject to detailed design) Rate per metre is derived from price submitted by Eurovia for new pavement, footways and proportion of preliminaries in their Q1 2017 tender plus 17% provision for inflation, 3% for risk and 5% for contingency.
Utility Provision	£59,000 for sewers £2000 for commuted sum to drainage board £139,000 for water, gas and electricity connections	£200,000	Sewers price lifted from Eurovia Q1 2017 tender, Drainage commuted sum from correspondence with IDB, Utility connections are estimates pending receipt of firm connection offers.

Purchase of 0.8 Hectares Of Serviced Land for Workspace	£270,000 per hectare £110,000 per acre	£216,000	Based on Banks Long Valuation and recent local transactional evidence
Construction of 557 sqm of industrial units	£1100 per sqm	£613,000	Estimated price based on enquiries with local contractors
Utility Connections		£100,000	For connection and metre provision based on enquiries with utility companies
Fees	15% on construction and works	£140,000	Estimated price to be confirmed once Framework rates are provided.
Total		£2,329,000	

Phase 2

Construction of 60m ICD four legged roundabout on A52 with approx. 400m of estate roads, sewers, drains, pumping station and utility pipes and conduits.

Item	Rate	Cost	Assumptions
Contribution of balance of development land by Croftmarsh	26.2 HA at £110,000 per hectare	£2,882,000	Balance of Croftmarsh allocated employment land holding after deduction of land for phase 1, at valuation identified in Banks Long Valuation Report.
Construction of roundabout and estate roads, drain and sewers plus utility pipes, cables and		£6,400,000	Based on Eurovia Q1 2017 tender price plus 17% for inflation.

conduits			
Fees	15% for supervision plus 5% for testing and adoption processes	£1,280,000	Based on LCC Technical Services estimates.
Total		£10,562,000	

Skegness Gateway Development – Planning Permission History

1. Outline consent for use of site for employment purposes – S/153/0982/00
2. Reserved matter application for parts of site approved – S/153/02189/02
3. Outline consent made extant by implementation of storm drainage works off Hassall Road.
4. Non-material Amendment - S/153/2529/14 - revised approval for roundabout on A52.
5. Reserved Matters – S153/00513/17 – Workspace units on original proposed site.

Further Applications To Be Made

- New reserved matters application for workspace units on new site.
- New Reserved matters application for extension of Hassall Road and installation of utilities.
- New full application for realignment of drainage ditch associated with phase 2 project so as to avoid overhead power lines.

Skegness Countryside Business Park

ACTIVITY SCHEDULE

**Engineering and Construction Contract
(Third Edition 2013)**

**OPTION C
Target Contract with Activity Schedule**

Activity Schedule

Activity Schedule

Skegness Business Park	
ACTIVITY SCHEDULE	
Activity	Price
Preliminaries	
Contractor's Operatives	8,577.92
Site Establishment	34,721.80
Temporary accommodation and equipment for the Contractor	148,513.52
Temporary accommodation and equipment for the Overseeing Organisation	32,063.14
All other Preliminaries activities and costs not included above	378,639.98
Preliminaries Total	602,516.36
Traffic and NMU Management	
A52 Wainfleet Road	111,663.30
Temporary A52 Diversion Works shown on Drawing KC0150003/02/2100	76,344.61
All other Traffic and NMU activities and costs not included above	31,063.54
Traffic and NMU Management Total	219,071.45
Site Clearance	
Site Clearance	52,638.68
Site Clearance Total	52,638.68
Fencing and Gates	
Fencing and Gates	2,538.45
Temporary Fencing	21,983.32
Fencing and Gates Total	24,521.77
Drainage	
Surface Water Drainage system as per drawings and specification.	426,520.49
Surface Water Drainage. Dyke construction as per drawings and specification.	112,574.21
Vacuum Foul Drainage as per Drawings and Specification	117,768.47
Vacuum Foul Drainage Pumping Station as per Drawings and Specification	400,778.09
Contractor designed foundation for the pumping station	26,929.41
All other Drainage activities and costs not included above	32,404.77
Drainage Total	1,116,980.44
Earthworks	
Excavation of Acceptable Material	48,180.49
Excavation of Unacceptable Material	7,994.50
Temporary Storage of Acceptable Material	47,286.07

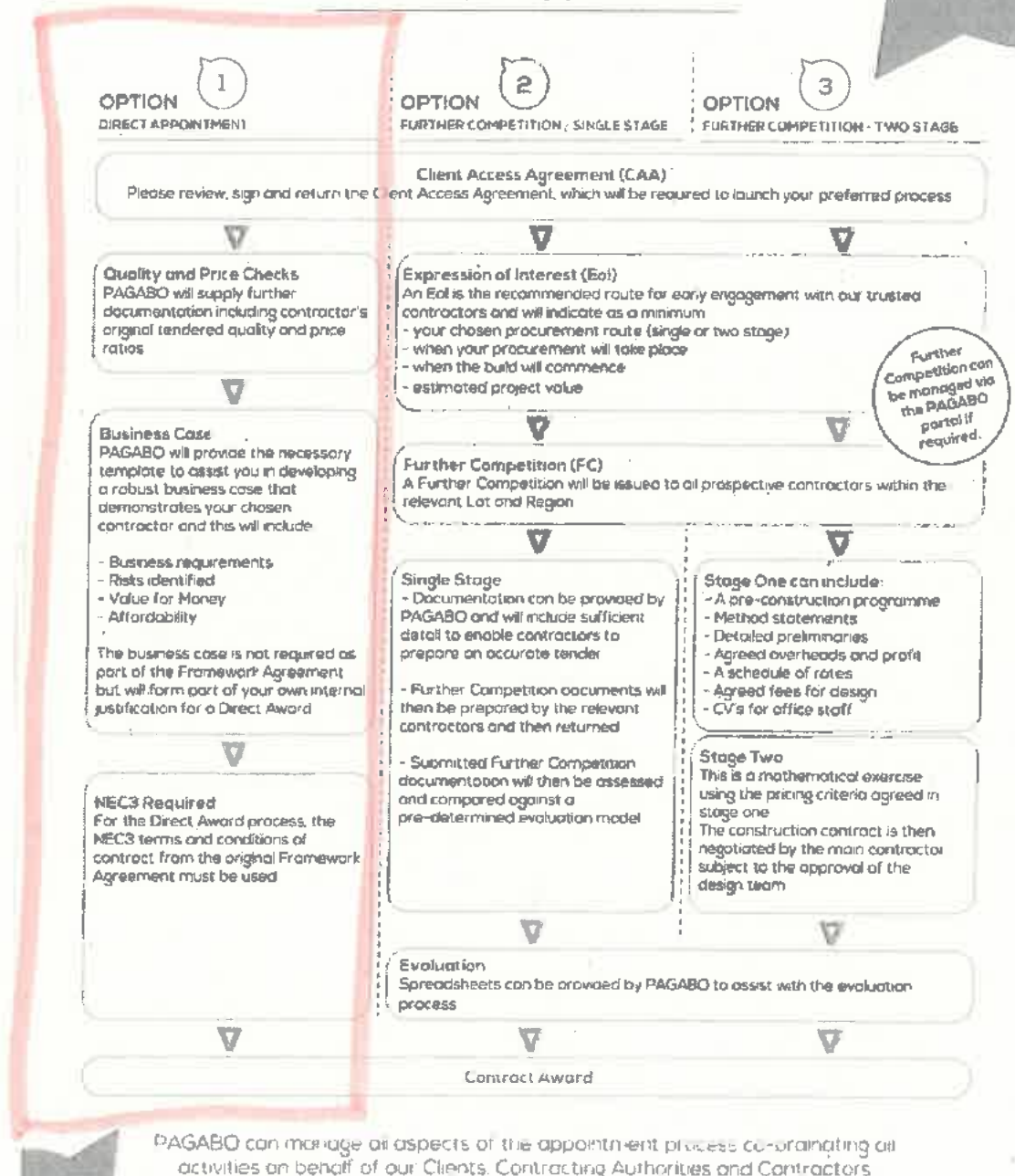
Activity Schedule

Deposition and Compaction of Acceptable Material	23,710.83
Import of Class 1 Fill	—
Deposition and Compaction of Class 1 Fill	—
Import of 6F5 Capping	286,353.52
Deposition and Compaction of 6F5 Capping	19,690.76
Geotextiles in Earthworks	64,092.41
Polystyrene Fill and Wrapping	385,053.35
Removal of Asbestos Concrete Main	0.00
All other Earthworks activities and costs not included above	15,711.95
Earthworks Total	898,073.88
Pavements	
Excavation of Existing A52 Pavement Material	20,805.87
Disposal of Existing A52 Pavement Material	17,742.12
New Pavement on A52 and the Proposed Roundabout	435,534.06
New Pavement within the Proposed Business Park	324,134.06
All other Pavements activities and costs not included above	—
Pavements Total	809,217.11
Kerbs, Footways and Pavement Areas	
Pre-cast Concrete Kerbs and Edgings	65,736.85
Footways Paved Construction along the A52	97,240.06
Footways Paved Construction within the Proposed Business Park	106,496.51
Traffic Islands Paved Construction	13,410.36
All other activities and costs not included above	132,232.43
Kerbs, Footways and Pavement Areas Total	415,114.21
Traffic Signs and Road Markings	
Traffic Signs – Non Illuminated	20,791.14
Traffic Signs – Illuminated (Including electrical works)	1,904.01
Road Markings	4,598.06
All other activities and costs not included above	2,172.09
Traffic Signs and Road Markings Total	29,465.30
Street Lighting	
Street Lighting along the A52 as per Drawings and Specification including electrical works	182,152.49
Street Lighting within the Proposed Business Park as per Drawings and Specification including electrical works	86,201.74
All other Street Lighting activities and costs not included above	—
Street Lighting Total	268,354.23
Culverts and Structures	
Croft Marsh Culvert	89,091.92
450mm Dia Culvert	28,550.57
Scour Protection of Banks on Seacroft Railway Drain	6,766.88

Activity Schedule

All other Culverts and Structures activities and costs not included above	21,686.61
Culverts and Structures Total	146,095.98
Landscaping	
Excavation and Setting Aside Topsoil for re-use	116,826.86
Top Soiling and Seeding	55,062.22
Landscaping Total	171,889.08
Statutory Undertakers	
BT as shown on the drawings and described in Appendix 1/16	116,345.98
AW as shown on the drawings and described in Appendix 1/16	74,277.28
WPD as shown on the drawings and described in Appendix 1/16	30,889.64
Gas Connection as shown on the drawings and described in Appendix 1/16	79,528.12
Statutory Undertakers Total	301,141.02
Maintenance	
2 year maintenance of Croft Marsh dyke	—
2 year maintenance and servicing of a pumping station	28,709.26
Three times a year grass cutting for a two year period	2,852.38
	31,561.64
Contractor's Risk Allowance	
SUMMARY TOTAL	5,077,641.15
Contractor's Fee	7.91 %
TOTAL OF THE PRICES	5,479,282.54

Major Works Process for Appointment



CONTRACTOR FOR
£5m TO £15m
AWARDS is
MORGAN SIMON.

How we work with you

PAGABO have adopted a simple, proven and robust methodology to ensure client organisations can engage with and appoint the most appropriate contractor in an efficient and fully-compliant manner.

Engagement wheel

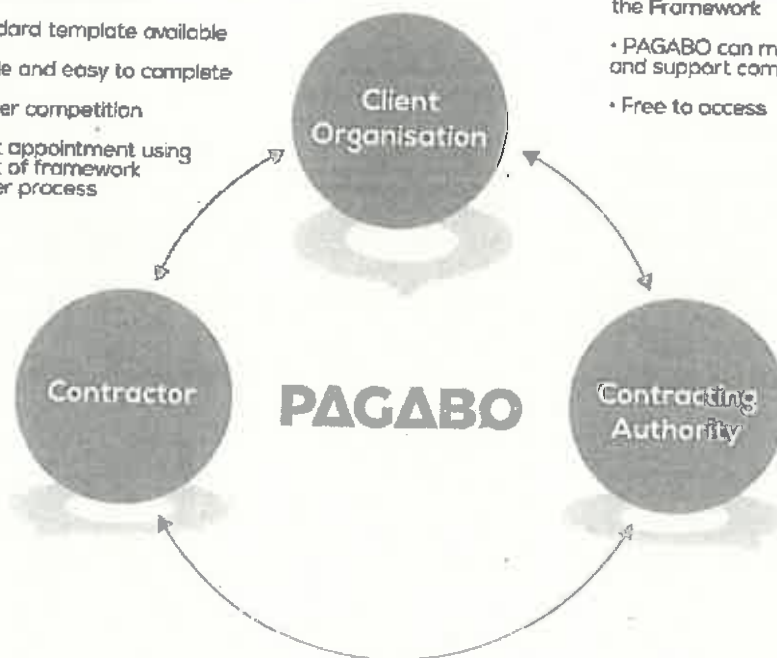
The diagram identifies the contractual links and processes to be followed for project delivery.

Contract Award

- Required for each project
- Individual projects or programmes of work
- Standard template available
- Simple and easy to complete
- Further competition
- Direct appointment using
 - result of framework
 - tender process

Client Access Agreement (CAA)

- One agreement covers all Lots for the lifetime of the Framework
- PAGABO can manage and support completion
- Free to access



Framework Agreement

- OJEU-Compliant
- 19th April 2016 (3+1-year term)

BLOG DAILY

Future Development

Existing drainage network will be offered & adoption under section 102 agreement

780 August 1994

Limit of Section 102 (See note 4)
Limit of Section 104 (See note 5)

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Discussion

Environ Monit Assess (2008) 142:119–134

СДАТЬ НА ЗАЩИТУ:

If you do not fully understand the risks involved during the construction of the firms indicated on this drawing ask your manager, health & safety advisor or a member of the design team before proceeding

Existing services may end on site. The contractor shall issue with all relevant service notices and arrange for all services to be relocated, certified and protected.

Family for all is a national initiative designed to help families and communities work together to improve the lives of all children.

the contractor shall read and understand the Ground Investigation report and be aware of any potential variations in soil conditions over the site.

no potential for danger to the general public and the environment.