



LEP DIRECTORS BOARD

24th August 2018

Lincolnshire County Council, Lancaster
House, 36 Orchard Street, Lincoln,
LN1 1XX

Draft Minutes

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Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), Cllr Peter Wheatley (NELC), Cllr Rob Waltham (NLC), Chris Baron (Butlins), Richard Wills (LCC), Cllr Colin Davie (LCC), Pete Moore (Section 151 Officer)

LEP Executive: Halina Davies, Linsay Hill-Pritchard, Louise Greensmith (Note Taker)

Observers: Pete Holmes (BEIS)

Apologies: Ruth Carver, Pat Doody (Nat West)

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following:

Board Director - Pat Doody (Nat West)

LEP Executive - Ruth Carver (LCC)

Declarations of Interest:

Full declarations of interest can be found at

<https://www.greaterlincolnshirelep.co.uk/documents/declarations-of-interest-register-nov-2016/>

The board were reminded that declarations of interest are required as part of LEP governance and must be submitted at least annually, and if anything changes to the LEP office at the earliest convenience.

UL declared a potential interest on Grantham Technology and Innovation Centre (Paper 2) due to land ownership within proximity of the area concerned, but it was agreed by the Board that this was not regarded as a conflict and would not affect any decision made in relation to the scheme.

RW declared an interest on Scunthorpe Town Centre (Paper 4).

Minutes and Matters Arising

The minutes of the 25th May 2018 were discussed. PM commented that on page 3 the figure of £2,271m should actually be £2.271m. It was then accepted that these were a true record and can be published on the website.

The Board were also asked to note the electronic approvals dated 7th August 2018 and the minutes of the LEP Directors Board from 20th July 2018.

Paper 2 - Grantham Technology and Innovation Centre

Board Directors were asked to consider the due diligence appraisal for the Grantham Technology and Innovation Centre and to approve progression to contracting stage.

The Board asked for confirmation on the total cost breakdown of this scheme. It was confirmed that the project has a total cost of £6m and the £2m SLGF grant will contribute to the fitting out and flooring on one floor. The rest will

count as match funding towards the project. It was discussed how the scheme will offer a wide range of functions in the form of educational courses as well as being used as a hub centre. University staff will be based there and businesses would be able to use the office spaces available in the wider complex, so there would be opportunity for interaction between businesses, staff and students.

The Board were concerned about the wording on one of the conditions to be included in the grant funding agreement and asked for this to be re-phrased prior to contracting. This is detailed below. It was also pointed out that the figure for the outcome of number of learners was slightly out in the report for decision for this paper.

Conditions to be included within the GLLEP funding agreement were agreed as follows:

- Written confirmation of match funding being provided by the Council.
- Written confirmation to GL LEP that any additional costs are underwritten by the applicant.
- SKDC retaining and operating the business incubator/co-working space.
- Procurement of an internal fit out contractor to be in line with public sector procurement guidelines.
- An updated programme for delivery and drawdown of funds is to be provided once a contractor is appointed.
- Any users of the centre other than University of Lincoln to be charged market rates for their use.
- Written confirmation that procurement of GF Tomlinsons was in line with and met public procurement requirements.
- Provision of the construction contract with GF Tomlinsons.
- Updated programme for delivery and drawdown of funds to be provided once internal fit-out contractor is appointed.
- Provision of full specification and tendered rates when available.
- That within the first year of project completion, a written statement is provided stating exactly what the new qualification offers are, and what new activity is taking place.
- University of Lincoln only undertaking educational activities, rather than commercial activities, at the University Centre.

This last condition needs re-phrasing prior to contracting for greater clarity.

Cllr Wheatley, Cllr Waltham, Linsay Hill-Pritchard and Richard Wills left the meeting (before a decision was made), however the meeting remained quorate.

The Investment Board approved the £2,000,000 of Single Local Growth Fund towards the delivery of this project provided the recommended conditions are included in the funding agreement.

Paper 3 - Gainsborough Growth project

Board Directors were asked to consider the due diligence appraisal for the Gainsborough Growth Project and to approve progression to contracting stage.

It was discussed how the project is centred on encouraging new investors and homes to the Gainsborough area. The project includes retrospective costs for

<p>land acquisition on which the Board requested further information.</p> <p>HD confirmed that a lot of work had been done regarding State Aid compliance and that LCC's Legal Team had also been consulted with regard to the LOTS scheme. A condition for this project is for the applicant to review their State Aid position as the project progressed to delivery stage. The Board felt that the Accountable Body should also have a role in this.</p> <p>It was noted that the development agreement is not yet signed and until it is in place, the scheme will not be formally marketed. The Board questioned to what extent the developer partner for delivery of the wider regeneration scheme had already engaged potential investors, given the complexity of the target market. They also requested greater clarity on the relationship of the former LIDL site to the wider project and the revenue stream likely to be generated from non-food retail businesses looking to base themselves on the site. The Board questioned if the SLGF grant relating to the site acquisition could potentially be attributed to other elements of the overall scheme.</p> <p>The Investment Board deferred this project to be discussed again at a future meeting. The Board asked for the following information to be provided relating to regeneration area C:</p> <ul style="list-style-type: none"> • A clearer drawing/plan describing all the plots concerned and how they interrelate; • Timescales for delivery; • Update on the developer partner contract - including progress on negotiations to deliver the masterplan; • Clarity on the revenue stream generation from the former LIDL site; 	
<p><u>Paper 4 - Scunthorpe Town Centre</u></p> <p>Board Directors were asked to consider the due diligence appraisal for the Scunthorpe Town Centre Project and to approve progression to contracting stage.</p> <p>It was confirmed that Phase 1 of this project was approved at the last Investment Board and that this was due to be contracted separately. However, as the scheme has now progressed significantly, Phases 1 and 2 will be contracted together.</p> <p>Having an awareness of previous issues regarding deliverability of road infrastructure, the Board asked if this scheme was liable to experience any delays, for example, meeting requirements from Highways England. The Board was assured that this project is in a good position, planning permission was approved in June 2017 and there is an expected start for early 2019. HD agreed to email members to confirm the start date for the infrastructure works following the meeting.</p> <p>It was noted that some elements of the scheme had already been taken forward by the applicant at risk and that some of the grant would therefore be retrospective. This is permitted under the auspices of the programme.</p> <p>Conditions to be included within the GLLEP funding agreement were agreed as</p>	

follows:

Phase 1

- That SLGF only be used to fund the costs of acquiring the KM Cross site up to market value of £282,500, plus legal fees for acquisition of 1% resulting in a total funding requirement of £285,325.
- The overall costs for delivering the Phase 1 project are demonstrated upon the provision of a costed specification and supporting plans, or the provision of the report on tenders and lowest tender received. This information is required to demonstrate that the scheme is deliverable in accordance with the funding that has been secured to date.
- A full programme for the acquisition, detailed design, procurement and construction of the scheme to be provided.
- A programme for the drawdown of SLGF to be provided.

Phase 2

- A completion statement confirming the amount of extra expenditure on the acquisition of the former BHS building to be provided.
- Confirmation that planning permission for site for highways works has been secured.
- A copy of the report on tenders and lowest tender for the highways infrastructure and high street public realm works are provided.
- A copy of the report on tender and lowest tender for the extension of Church Square House Extension and verification that the full amount of SLGF is required in the event of a lower than anticipated tender being returned. In the event that costs are higher, confirmation from NLC that they will underwrite any increase in costs and the project will remain deliverable.
- Should the former BHS building be subject to freehold disposal, clawback is triggered in the event that the sale price exceeds the market value of the building as defined within this Due Diligence report. In the event the NLC have undertaken improvement works to the building, the cost of any such works may be deducted from the disposal value prior to assessing the extent of clawback triggered (if any).
- NLC to confirm that issues relating to cost omissions in Sites 1 and 9 and the safety audit for Site 6 have been addressed and resolved and any impact of cost and deliverability of the scheme to be reported to GL LEP.
- A full programme for the acquisition, detailed design, procurement and construction of the scheme to be provided.
- A programme and quarterly forecast for the drawdown of SLGF to be provided.

The Investment Board approved the £285,325 towards Phase 1 and £3,564,675 towards Phase 2 of Single Local Growth Fund towards the delivery of this project provided the recommended conditions are included in the funding agreement.

Any Other Business

No other business was raised by the Board.