



LEP INVESTMENT BOARD

10th January 2019

Room 118, County Offices, Newland,
Lincoln, LN1 1YL

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
10:00	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> Approval of Minutes 29th October 2018 Electronic Approval 19th December 2018 (for information) 	Chair	All Members Paper 1 attached Paper 2 attached
10:10	Growth Deal Programme Review <ul style="list-style-type: none"> Report for Decision and Information 	Halina Davies, LEP	Paper 3 attached Appendices 1 & 2 attached
10:30	Skills Capital Investment Fund Programme <ul style="list-style-type: none"> TBSIH (North Lindsey College) - Report for Decision Due Diligence Report 	Halina Davies, LEP	All Members Paper 4 attached Paper 4.1 attached
11:00	AOB and close of meeting		

Attendees: Ursula Lidbetter (Chair & Lincs Co-op), Chris Baron (Butlins), Cllr Peter Wheatley (NELC), Cllr Rob Waltham (NLC), Pat Doody (Nat West)

Apologies: Cllr Colin Davie (LCC)

Observers: Pete Holmes (BEIS)

Officers: Ruth Carver (GLLEP), Halina Davies (GLLEP), Pete Moore Section 151 Officer - Accountable Body), Linsay Hill Pritchard (Accountable Body), Sue Groves (Note Taker)

Parking Arrangements

Parking has been organised in the car park at the front of County Offices for: Ursula Lidbetter, Chris Baron, Cllr Peter Wheatley, Cllr Rob Waltham and Pete Holmes

10th January 2019 GL LEP Investment Board - Conflict of Interest Table

Board Member	Project	Conflict
Rob Waltham	Paper 3 TBISH (North Lindsey College) - Report for Decision	North Lincolnshire Council are partners of the project and own the civic centre building



LEP INVESTMENT BOARD

29th October 2018

Lancaster House, 36 Orchard Street,
Lincoln, LN1 1XX

Draft Minutes

Draft Minutes

Present:

Board Directors: Ursula Lidbetter (Chair) (Lincs Co-op), Cllr Peter Wheatley (NELC), Chris Baron (Butlins), Pete Moore (Section 151 Officer), Pat Doody (Nat West), Cllr Colin Davie (LCC - by phone)

LEP Officers: Halina Davies, Sue Groves(Note Taker)

Observer/Presenter Paper 3: Michelle Davis (Greenborough Ltd)

Apologies: Ruth Carver, Cllr Rob Waltham, Pete Holmes

Welcome by the Chair

Apologies and Declarations of Interest

Formal apologies were received from the following:
Ruth Carver, Cllr Rob Waltham, Pete Holmes

Declarations of Interest:

Pat Doody declared an interest on Paper 3 (Natwest/RBS are providing a loan to Wise Software UK Ltd).

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 notify the LEP office at the earliest convenience.

Minutes and Matters Arising

The minutes of the 21st September 2018 were accepted as a true record and can be published on the website.

Action

Publish

Paper 2 - Call for Project Ideas

There will be a call launched today for pipeline project ideas. This is in preparation for any future announcements from Government on grant funding such as the UK Shared Prosperity Fund, but also to provide alternative options should any existing projects with allocations not proceed as planned. The call will give Greater Lincolnshire a clear position by Spring 2019 on schemes that could contribute to the delivery of the SEP and emerging LIS.

The current government funding award for Growth Deal is £123.7m, all of which is provisionally allocated to projects or programmes. An analysis of the Growth Deal provisional and actual allocations by theme has been undertaken to help the GLLEP Board understand where funding has been focused within the portfolio to date. Growth Deal investment can be grouped into four themes:

- Business and Innovation: £20m on projects that boost innovation and productivity in our economy.
- Skills: £16.8m towards the Skills Capital Investment Fund programme and additional strategic projects that respond to employer need and deliver the higher level skills required

to drive growth across our economy.

- Housing: £4.2 on infrastructure that unlocks or protects housing developments in our priority places. This includes the Unlocking Rural Housing Programme.
- Transport and Infrastructure: £82.7m on infrastructure schemes and assets that provide a strategic and structured approach to connectivity and spatial planning, attracting inward investment and creating new homes and employment.

Taking on board investment by theme to date and shortfall in impact to date, the Board was asked to support the launch of a focused invitation for strategic projects. This will enable future LEP investment to be focused on under-invested areas that help to deliver the LIS and SEP, whilst still ensuring that a broad range of ideas across all key sectors are identified and considered. Projects will need to be well developed as full business cases will be requested of schemes that score well and are included on the pipeline list.

The Board requested that the forecast impact of the Growth Deal Programme from contracted and non-contracted schemes be included as part of the Growth Deal update report on the 30th November 2018.

The Board agreed the launch for project ideas.

Pat Doody left the room and Michelle Davies joined the meeting

Paper 3 - Greater Lincolnshire Growth Fund Project – Wise Software UK Ltd (OrderWise)

Michelle Davis provided an overview of the project.

Investment Board Directors were asked to consider the due diligence appraisal for the Wise Software UK Ltd project under the auspices of the Greater Lincolnshire Growth Fund and to approve progression to contracting stage.

OrderWise have identified a major opportunity to grow their own business by investing and developing a warehouse automation offering, which will also help their clients become more efficient and grow. They are looking to purchase a new building close to their current premises and refurbish the owned premises next door, building a link between and merging the two. The new purchased building will be fitted out accordingly and used as the test bed for the robotics and automation development.

The company is seeking £241,631.23 grant towards the overall project costs of £2,576,342.18.

The project aims to:

- Develop a picker warehouse automation system, a new arm to the business.
- Create 19 highly skilled jobs by the end of March 2025 and safeguard 5 specialised jobs
- Increase turnover by 81% and their net profit by 193% within the next 3 years.

The grant will be awarded subject to the following conditions being incorporated within the funding agreement:

- Full scheme plans and specification for the works to be provided; works to be tendered and a copy of the lowest tender to be appended to the funding agreement.
- GLGF to be invested only into capital costs of converting and refurbishing the existing buildings and constructing the new building, if market value of the building to be acquired is lower than the price being paid.
- Updated milestones for delivery of the project and forecast drawdown of GLLEP Growth Fund to be provided.
- A Red Book valuation to be provided for the building to be acquired and wider scheme once

completed as a basis against which to assess future clawback obligations should these be triggered.

- Monitoring of outputs to be undertaken.

The Accountable Body had no additional comments to make in relation to this proposal.

The Board discussed the detail behind the automation process and approved the grant.

Michelle Davies left the meeting and Pat Doody re-joined the meeting

Paper 4 – Gainsborough Growth Project Phase 1a

Board Directors were asked to consider the due diligence appraisal for Phase 1a of the Gainsborough Growth Project and to approve progression to contracting.

The Board first considered this scheme on the 24th August 2018; however, despite being supportive of the Living over the Shop scheme, transport model and riverside walk public realm elements, deferred their decision on the project requesting further detail on proposals for the former Lidl site and former Guildhall site.

The overall project will be split into two phases. Phase 1a will include the following:

- Former Guildhall, Whitton Gardens and Lidl town centre redevelopment which will see the construction of a 4 screen cinema, 3 restaurants/retail units and substantial public realm improvements.
- Gainsborough Transport Model: detailed modelling using the latest housing and employment trajectory to better understand the transport network bottlenecks and options appraisals on potential solutions.
- Living Over the Shop: Joint Venture Company set up with Dransfield Properties to directly refurbish some shop fronts and use the JV as a pilot for the "Living Over the Shop" scheme to convert upper storeys into flats. The conversion of town centre properties will not only assist with the delivery of residential properties in an area facing viability challenges, it will also increase footfall and vibrancy of the town centre.

The total amount of growth deal funding sought by the Council for Phase 1a was summarised as follows:

- £1m to fund the strategic public realm works within the wider development, subject to the development agreement with Muse.
- Gainsborough Transport Model £271,000
- Living Over the Shops pilot project £130,000
- Living Over the Shop roll-out £200,000
-

This equates to a total GLLEP SLGF funding requirement of £1,601,000.

Total private sector match funding for Phase 1a is £11,772,845.

It was agreed that the following conditions would be included in the GLLEP funding agreement:

- ❖ WLDC to confirm when the Development Agreement has been engrossed with Muse and once in place to confirm updated milestones and programme for delivery of the scheme
- ❖ WLDC to confirm the financial and investment structure for the scheme in accordance with the outcome of the marketing and occupier interest secured
- ❖ Once the programme for delivery has been crystallised with Muse, a profile for the drawdown of the funding allocated for the public open space works to be provided along with an updated

schedule for delivery of outputs

- ❖ Confirmation of the costs of the public realm works, once these have been subject to a competitive tender process to demonstrate the amount of GLLEP funding allocated towards these works is still required at the approved level
- ❖ Updated information to be provided by WLDC as part of ongoing monitoring as to operators secured for the leisure elements of the scheme
- ❖ More detailed information to be provided for the "Living Over the Shops" roll-out programme, including units to be acquired, schedule of works to be undertaken, size of residential dwellings to be provided, programme for delivery and disposal
- ❖ Confirmation from WLDC of how they will ensure repayment of grant should the outputs ultimately not be delivered within an agreed timeframe on the Muse Development site and clawback need to be instigated (deadline to be confirmed during contractual negotiation)

The Board agreed to approve the grant subject to the above conditions.

Any Other Business

None

Paper 2 Electronic Approval 19 December 2018

Greater Lincolnshire Growth Fund - Wise Software Limited

Board Directors were asked via electronic approval to consider the revised due diligence appraisal for the Wise Software Limited Project under the auspices of the Greater Lincolnshire Growth Fund and to approve progression to contracting stage.

The project was originally approved at the October 30th LEP Investment Board however there had been some changes to the project that required further consideration.

The original project was to purchase a new building, refurbish an existing building and build a new link between the two to set up a robotics production space and a demo centre. The grant of £241,631.23 was approved. On the day of the LEP Investment board, a different building came up for sale on the same estate (Torque building) which would add weight to the project and reduce the overall costs as OrderWise would no longer need to build the new link between the two original buildings. The revised project costs less overall to deliver and therefore requires less grant support, £218,806.43.

Purchasing the new Torque building will allow OrderWise to complete their project faster, better and more cost effectively. The robotics demo centre will be situated in the Torque building.

All other elements of the project remain the same.

The Investment Board formally approved £218,806.43 of Greater Lincolnshire Growth Fund towards the Wise Software Limited Project and progression of the scheme to procurement and contracting stage. The following conditions are to be incorporated within the funding agreement:

- Full scheme plans, specification for the works with works to be tendered and a copy of the lowest tender to be appended to the funding agreement.
- GLGF to be invested only into capital costs of converting and refurbishing the existing buildings and constructing the new building, if market value of the building to be acquired is lower than the price being paid.
- Updated milestones for delivery of the project and forecast drawdown of GLLEP Growth Fund to be provided.
- A Red Book valuation to be provided for the building to be acquired and scheme once completed as a basis against which to assess future clawback obligations should these be triggered.
- Monitoring of outputs to be undertaken.

GL LEP Investment Board

10 January 2018

Paper 3 - Growth Deal Programme Review

1. PAPER FOR DECISION

- 1.1 Investment Board Directors are asked to consider the Growth Deal Programme Review and note the risks to programme delivery identified.

2. BACKGROUND

- 2.1 Schemes within the £123.7m Greater Lincolnshire Growth Deal Programme are at varying stages of development/delivery.
- 2.2 Appendix 1 to this paper provides projected delivery dates against key milestones on each scheme/programme, identifying where there might be risks to delivery and forecasts.
- 2.3 The Growth Deal update paper to GL LEP Board on the 30 November highlighted the risks to projects achieving the 2018/19 forecast targets, but more importantly identified potential risks to full delivery and expenditure by 31 March 2021.

3. RISK MANAGEMENT

- 3.1 The Growth Deal programme is currently 71% contracted with 65% of contracted spend expended to date.
- 3.2 There are 13 schemes/phases still uncontracted with GLLEP, with 6 of these totalling £13.8m reaching final stages of negotiation and likely to be contracted by January 2019. The remaining 8 amount to £21.9m growth deal allocation (17.7% of the total allocation). The table below shows which schemes fall within this category and when provisional allocations were determined.

Projects likely to be contracted by January 2019		
Scheme	Allocation £m	Date Contracted
Europarc FEZ	1.8	January 2017
Hemswell FEZ	2	January 2017
Grantham Technology and Innovation Centre	2	July 2017
Agri-Food Centre of Excellence	2.4	January 2015
Gainsborough Growth Project Phase 1a	1.6	January 2017
Scunthorpe Town Centre	4	January 2015
Total	13.8	

Projects still to go through due diligence or with complex negotiations		
Scheme	Allocation £m	Date Allocated
Northern Junction Roundabout	1.9	January 2016
Skegness Gateway	4	July 2014
A46 Roundabouts	2.5	January 2017
Advanced Engineering Centre (The Bridge)	1.95	January 2017
Lincoln Medical School	5	January 2017
Sleaford Growth Project	2	January 2017
Gainsborough Growth Project Phases 1b & 2	2.4	January 2017
Access to Employment Zones Phase 2	2.1	July 2014
Total	21.9	

- 3.3 Letters have been sent to Directors/Managers of uncontracted projects in December 2018 reminding them of the necessity to spend our funding allocations by 31 March 2021, and the implications for the wider programme when forecast targets are annually not met. We have requested in writing the very latest forecasts for achievement of key milestones along with revised quarterly expenditure forecasts providing a deadline for responses of 11th January 2019.
- 3.4 Two high risk uncontracted schemes (Skegness Gateway Project and Access to Employment Zones Phase 2) have been asked to review their schemes and come back to GLLEP by 31st January 2019 with deliverable proposals for consideration by the February Investment Board.
- 3.5 Managers of contracted projects have also been written to by GL LEP, reminding them of the importance to keep the LEP regularly informed of likely delays/risks and the potential for funding to be withdrawn if milestones are consistently not achieved and suitable explanations not given.

4. PROJECT PIPELINE CALL

- 4.1 On the 10th December Greater Lincolnshire LEP received 50 outline business cases for review. Positively from our initial assessment there are some ambitious schemes, a list of which can be found at Appendix 2. Although the call targeted projects that could deliver by 20/21 it is clear that some projects are more long-term. Full analysis of these submissions has begun with a focus on projects that state they can deliver by the 2020/21 growth deal deadline.
- 4.2 All project submissions will be assessed throughout January with findings being presented to the 20th February Investment Board and a final revised pipeline to the 31 March GL LEP Board.
- 4.3 Of those business cases reviewed we have identified a number of risks to potential delivery. Though the list is not all-encompassing as more schemes are still to be assessed, it begins to provide a basis for more realistic forecasting of the programme and pipeline going forward.

4.4 Risks within the first tranche reviewed include:

- Detailed designs not completed
- Planning permission still to be sought
- Land acquisitions not completed or even negotiated
- Match funding not secured
- Other match funding timescales likely to impact on GL LEP deadlines
- Demand and need work inconclusive
- Feasibility work still to be completed
- Lack of detailed SMART milestone information
- Expenditure forecasts are omitted or contradictory in other sections
- Output information provided is unclear or missing

4.5 It is important for GL LEP to consider to what extent risks identified might determine support for a project in the short term, particularly if it is being brought in to replace a scheme from an existing funding programme. In addition, once the UK Shared Prosperity Fund is announced by government, the LEP will be keen to bring forward and prioritise schemes that are not only strategically important but that can demonstrate deliverability, value for money and impact.

4.6 As detailed above Appendix 2 shows a list of all projects taken from the recent call currently under assessment. The existing GLLEP Pipeline approved in January 2018 can be found at: <https://www.greaterlincolnshirelep.co.uk/funding-and-projects/other-funding/growth-deal-single-local-growth-fund-slgf/> and will be updated once the current pipeline assessment work is completed and endorsed by the GL LEP Board.

4.7 The Strategic Infrastructure Delivery Plan (SIDP) is also currently being reviewed and updated in terms of prioritisation by Greater Lincolnshire's key stakeholders for infrastructure delivery. Emerging plans for the UK Shared Prosperity Fund will consider how Growth Deal, SIDP and other project pipelines fit together.

5. ANNUAL PROGRAMME REVIEW

5.1 On Thursday 10 January GL LEP will be assessed on how it has performed this financial year in relation to governance, delivery and strategy. A detailed paper is being provided by the LEP in response to questions raised by the Government as part of this review process.

5.2 Whilst GL LEP and its accountable body remain positive about meeting the £8.7m growth deal target with the support of some freedoms and flexibilities, it is important for the Investment Board to note that several schemes have not achieved their individual forecast targets this financial year. The LEP are fully aware of the potential risk to existing and future funding and as discussed at the LEP Board in November members have requested that we write to all projects setting out clear expectations and potential outcomes if project performance does not improve.

6. PERFORMANCE MANAGEMENT

- 6.1 GL LEP Officers would like the Board to consider follow up actions where projects are consistently not delivering.
- 6.2 Each scheme will be given a quarterly dashboard RAG rating for deliverability, finances and reputation. The following approach is suggested going forward:

Projects showing red in any category

These schemes will be placed in quarterly special measures and will be called in to the Investment Board. They will be subject to monthly meetings with LEP/accountable body teams, and if improvement is not demonstrated the LEP will withhold funding or clawback/withdraw funding in line with the grant funding agreement.

Projects showing Amber in any category

These projects will be subject to quarterly meetings with the LEP/Accountable body. If no improvement is demonstrated the risk level will be raised to red.

7. HIGH RISK SCHEMES IDENTIFIED FOR ACTION

- 7.1 There are currently two schemes (Access to Employment Zones and Skegness Gateway) that fall within the scope of requiring additional action totalling £6.1m of the Growth Deal programme allocation. These projects have been written to in December requesting revised proposals by 31st January to be reviewed at the mid-February Investment Board.

The projects received provisional allocations in July 2014 when they were cited as deliverable by 2016/17. Although we are aware and have reported on the problems in both schemes, both continue to have risks attached to them including lack of due diligence, no contract in place with GL LEP, outstanding political decisions, land acquisitions, planning permissions, detailed designs and likelihood of delivery.

- 7.2 There are existing pipeline schemes that would currently benefit from additional funding which are ready to deliver if given the chance, hence the Board are asked to decide the best course of action for these two projects, balancing of course their strategic importance and implications for partners concerned having already invested time and money into them.

8. RECOMMENDATIONS

- 8.1 That the Investment Board notes the position of Single Local Growth Fund performance, acknowledges the submissions received via the recent pipeline call, and advises on approaches to be taken with high risk projects taking into account options proposed in these circumstances.

APPENDIX 1 - GROWTH DEAL PROJECT MILESTONES

Scheme	Detailed Design	Planning	Land Acquisition	Match Funding
Boole Technology Centre	Complete	Complete	Complete	Drawn down
Bishop Burton College	Complete	Complete	Complete	Drawn down
Grantham Southern Relief Road (GSRR)	Substantially Complete	Public Inquiry	Under Negotiation	In Place
Boston Quadrant	Complete	Complete	Complete	In Place
Unlocking Rural Housing Programme	Complete	Complete	Complete	In Place
Lincoln Transport Hub (Growth Deal Approved by DFT)	Complete	Complete	Complete	In Place
Lincoln Tentercroft Street Growth Corridor	Complete	Complete	Complete	Drawn down
Go Skegness Sustainable Transport	Complete	Complete	Negotiation for Gibraltar Point Cycleway	In Place
Access to Employment Zones (A46/A16) Phase 1 Toll Bar	Substantially Complete	N/A	Complete	In Place
Access to Employment Zones (A46/A16) Phase 2 Nuns corner/Littlecoates Road	Incomplete	N/A	TBC	TBC
Normanby Enterprise Park 7	Complete	Complete	Complete	In Place
Northern Roundabout Infrastructure	Complete	Complete	Complete	TBC
South Humber Infrastructure Investment Programme - Phase 1 Strategic Mitigation	Substantially Complete	Complete	Some still under Negotiation	In Place
South Humber Infrastructure Investment Programme - Phase 2 Humber Link Road	Complete	Complete	Complete	In Place
Scunthorpe Town Centre	Substantially Complete	Complete	Complete	In Place
Lincolnshire Lakes	Complete	Complete	Some still under Negotiation	In Place
Holbeach Peppermint Interchange	Complete	N/A	Complete	Drawn down
Skegness Gateway Project Phase 1	Outstanding (May 2019)	Submission 31 March 2019	Under Negotiation	In Place
Skegness Gateway Project Phase 2	TBC	TBC	Incomplete	Not Secured
Grantham Technology and Innovation Centre	Complete (for building)	Complete	Complete	In Place
Agri-Food Centre of Excellence	Complete	Complete	Complete	In Place
Local Improvements on the A46/A15	Substantially Complete	N/A	Some still under Negotiation	In Place
Sleaford Growth Project	Complete by Autumn 2019	N/A	N/A	In Place
Sutterton Roundabout Pinch-Point Scheme	Complete	N/A	N/A	Drawn down
Gainsborough Growth Project - Phase 1a	Complete	Complete	N/A	In Place
Gainsborough Growth Project - Phase 1b	N/A	TBC	Funding related to acquisition costs	TBC
Gainsborough Growth Project - Phase 2	N/A	TBC	Funding related to acquisition costs	TBC
Greater Lincolnshire Centre for Health Science (Medical School)	Expected January 2019	TBC	N/A	In Place
Advanced Engineering Research and Development Centre	TBC	TBC	Incomplete	Not Secured
Europarc FEZ	Feb-19	Mar-19	N/A	In Place
Central Lincolnshire FEZ	Mar-19	LDO in Place	N/A	In Place
South Lincolnshire FEZ	Underway	LDO in Place	Incomplete	In Place (Phase 1)
Skills Capital Investment Programme (contracted with LCC to deliver)	See below	See below	See below	See Below
Skills Capital Investment fund - Digital Skills Centre Stamford	Complete	Complete	N/A	Drawn down
Skills Capital Investment fund - Digital Skills Hub Lincoln	TBC	TBC	N/A	TBC
Skills Capital Investment fund - Technical Business Innovation Skills Hub, Scunthorpe	Complete	TBC	Building being leased from NLC	Not Secured
Skills Capital Investment fund - EMAT Centre, Boston	Complete	Complete	Complete	In Place

Scheme	Due Diligence	GLLEP Contract	Tender/Framework Process	Start on Site	completed on site	RAG Rating (Q2)
Boole Technology Centre	Completed	Contracted	Complete	Completed	Mar-17	
Bishop Burton College	Completed	Contracted	Complete	Completed	Nov-16	
Grantham Southern Relief Road (GSRR)	Completed	Contracted	Partially Complete	Completed	Mar-21	
Boston Quadrant	Completed	Contracted	Partially Complete	Completed	TBC	
Unlocking Rural Housing Programme	Completed	Contracted	Complete	Completed	TBC	
Lincoln Transport Hub (Growth Deal Approved by DFT)	Completed	Contracted	Complete	Completed	Mar-18	
Lincoln Tentercroft Street Growth Corridor	Completed	Contracted	Complete	Completed	Feb-17	
Go Skegness Sustainable Transport	Completed	Contracted	Complete	Completed	Apr-19	
Access to Employment Zones (A46/A16) Phase 1 Toll Bar	Completed	Contracted	Underway soon	Apr-19	TBC	
Access to Employment Zones (A46/A16) Phase 2 Nuns corner/Littlecoates Road	TBC	Date TBC	TBC	TBC	TBC	
Normanby Enterprise Park 7	Completed	Contracted	Complete	Jan-19	Sep-19	
Northern Roundabout Infrastructure	Completed	Pending	Complete	Feb-19	Mar-20	
South Humber Infrastructure Investment Programme - Phase 1 Strategic Mitigation	Completed	Contracted	Partially Complete	TBC	TBC	
South Humber Infrastructure Investment Programme - Phase 2 Humber Link Road	Completed	Contracted	Underway	Jan-19	May-20	
Scunthorpe Town Centre	Completed	Signing Currently	Partially Complete	Completed	TBC	
Lincolnshire Lakes	Completed	Contracted	Complete	Feb-19	TBC	
Holbeach Peppermint Interchange	Completed	Contracted	Complete	Completed	Dec-18	
Skegness Gateway Project Phase 1	Completed	Drafted	Framework Contractor Appointed	Oct-19	Feb-20	
Skegness Gateway Project Phase 2	TBC	No	TBC	TBC	TBC	
Grantham Technology and Innovation Centre	Completed	Drafted	Complete	Completed	Apr-19	
Agri-Food Centre of Excellence	Completed	Drafted	OJEU process underway soon	Sep-19	TBC	
Local Improvements on the A46/A15	Expected Mid 2019	No	Late 2019	Jan-20	Mar-21	
Sleaford Growth Project	Expected Mar 2019	No	Spring 2019	Autumn 2019	Dec-20	
Sutterton Roundabout Pinch-Point Scheme	Completed	Contracted	Complete	Completed	Apr-17	
Gainsborough Growth Project - Phase 1a	Completed	Drafted	Linked to Muse Development	Partially Complete	Mar-21	
Gainsborough Growth Project - Phase 1b	Apr-19	No	TBC	TBC	Mar-21	
Gainsborough Growth Project - Phase 2	Apr-19	No	TBC	TBC	Mar-21	
Greater Lincolnshire Centre for Health Science (Medical School)	Spring 2019	No	TBC	TBC	TBC	
Advanced Engineering Research and Development Centre	Spring 2019	No	TBC	TBC	TBC	
Europarc FEZ	Completed	Signing Currently	Jun-19	Oct-19	Mar-21	
Central Lincolnshire FEZ	Completed	Drafted	May-19	Jul-19	Feb-20	
South Lincolnshire FEZ	Completed	Contracted	Utilities orders placed	Spring 2019	TBC	
Skills Capital Investment Programme (contracted with LCC to deliver)	Completed	Contracted	See below individual schemes	Completed	TBC	
Skills Capital Investment fund - Digital Skills Centre Stamford	Completed	Contracted with LCC	Complete	Completed	Nov-18	
Skills Capital Investment fund - Digital Skills Hub Lincoln	TBC	No	TBC	TBC	TBC	
Skills Capital Investment fund - Technical Business Innovation Skills Hub, Scunthorpe	Underway	No	Jan-19	Feb-19	TBC	
Skills Capital Investment fund - EMAT Centre, Boston	Completed	Contracted with LCC	Sep-18	Dec-18	TBC	

APPENDIX 2 - GL LEP PIPELINE SCHEMES

		Pipeline Scheme	Category	Total Cost	SLGF Required	Business Case Provided	Source	Project Description	Outputs/Outcomes
E1	Existing	Skills Capital Investment Programme funding Gaps	Skills	21,000,000	4,210,000	Yes	GD3 Bid	A total of £7.44m has been provisionally allocated to this programme with £3m already contracted, however for the four schemes being supported this has left a shortfall of £4.2m which the projects themselves are having to find/scale down in terms of designs and outputs. Should more funding be made available in the short term the existing proposals could be strengthened, or alternatively schemes already scored that were not successful due to limited growth deal could also be brought forward.	904 apprenticeships created; 1391 learners supported; 310 training places provided; 7098sqm new/refurbished learning space created
E2	Existing	Medical School	Skills	TBC	TBC	Yes Draft Version (application submitted to Higher Education Funding Council England (HEFCE) and Health Education England (HEE) proved successful for initial support).	New Proposal	Collaborative project between University of Lincoln and University of Nottingham to establish a Medical School. The new school will be developed at the UOL site creating a 25% expansion of medical students in the UK. The school will make a huge difference to the Lincolnshire region, which will benefit from the establishment of this hub of medical expertise: clinical placements will take place at hospitals, GP surgeries and other healthcare units across the county in collaboration with United Lincolnshire Hospitals NHS Trust and the Lincolnshire Partnership NHS Foundation Trust. Students will study at Lincoln for a University of Nottingham BMBS medical degree, underpinned by the University of Lincoln's outstanding infrastructure, research and employer partnerships.	Junior doctor training (400 undergraduate students); pool of high quality medical experts;
E3	Existing	FEZ Programme Funding Gaps	Innovation	18,600,000	1,500,000	Yes	GD3 Bid	A total of £6.8m has already been allocated to the three FEZ schemes in Greater Lincolnshire, however this has resulted in the lead local authorities having to underwrite the additional funding gaps, some of which have increased significantly following utility negotiations with providers.	Increase to existing outputs provided
E4	Existing	Agri-Grants Programme	Innovation	6,000,000	2,000,000	No	GD3 Bid	Agri-tech Growth fund for SMEs. Originally developed with two other LEPs, would need to discuss with GCGP LEP and New Anglia LEP if there is still an appetite for delivering this idea jointly.	200 jobs created, £3m private sector leverage
E5	Existing	Hemswell FEZ	Innovation	N/A	N/A	Yes	SIDP	Already being funded by growth deal (£2m)	see FEZ Programme above
E6	Existing	Centre for Rural Health	Innovation	TBC	TBC	No. Concept stage only	New Proposal	Longer-term proposal revenue based initially. Lincolnshire Hospital Trust working with University of Lincoln and Bishop Grosseteste University to develop innovative solutions for medical care in rural locations. Exploring how new technology currently being used in other sectors might be applied to home care; looking at how investment in tele-care via a mobile phone might help with face to face GP support.	TBC
E7	Existing	Lincoln Science and Innovation Park Phase 2	Innovation	7,000,000	4,000,000	No	New Proposal	Expansion of existing Science Park to attract/retain innovative SMEs. Provision of dedicated workspace. Initial surveys and flood risk assessment carried out for the Phase 2 site. Proposing 9 buildings in the longer term on the Phase 2 brownfield undeveloped land covering 6 acres. To get the site ready for development including decontamination, utilities, hydrological works, hard and soft landscaping and related highway works would cost up to £4,000,000. Match funding could be provided from LSIP/Private sector via £1.2m of land value plus commercial development of two single occupancy buildings at the same time along the frontage. If more GLLEP funding was available support for the development of three 5000sqft units for grow on space costing around £2m would also be welcomed along with £100,000 towards consultation on land usage and masterplanning for future phases.	Jobs and employment space, expansion of Science Park
E8	Existing	Viability Gap Funding to unlock affordable housing	Housing	9,300,000	2,500,000	Some available but need updating	GD3 Bid	Providing gap funding where infrastructure costs, flood risk and general scheme viability is delaying development of affordable housing.	225 homes
E9	Existing	Integration of Housing, Health and Care	Housing	17,400,000	2,100,000	Some available but need updating	GD3 Bid	Addressing SEP priorities for the integration of housing, health and care; complementing LCC's extra care procurement programme	84 homes
E10	Existing	Enabling Housing Programme	Housing	77,100,000	10,500,000	Some available but need updating	GD3 Bid	Working with Housing England to deliver schemes focused on regeneration and public realm improvements; developments which incorporate wider government ambitions such as custom build; highways/transport requirements beyond minor access works.	900 homes
E11	Existing	Pinch Point Sub Programme - Remaining Projects	Infrastructure	17,500,000	12,000,000	No	GD3 Bid	Three of the four remaining pinch point schemes originally identified are no longer deemed cost effective/a priority and will not be progressed, these are :- A16: alignment between A17 and Kirton; A17: alignment between B1359 and Lutton Garrnsgate; A17: alignment between B1390 and A1101; One scheme will take about 5 years of development but remains a priority and that is the A17: Improvement of Heckington Bypass - upgrade to dual carriageway	x homes; x jobs
E12	Existing	Infrastructure & Transportation Sub-Programme	Infrastructure	38,500,000	6,600,000	No	GD3 Bid	A46/Welton Road junction - Could be subject to a public inquiry, not likely to come forward quickly as land issues not currently resolved; Skellingthorpe Road/A46 roundabout Junction is part of Lincolnshire Coastal Highway Project - proposed option to take forward, links to the Western Growth Corridor scheme and likely to be a medium term option as it requires a lot more development by COLC/LCC; A52/A1 roundabout at Barrowby - this extra junction connects with the Designer Village proposals at Grantham and is yet to be designed/progressed so not a short-term project; Gainsborough Marina - likely to take about 5 years to progress, still negotiating some of the land, gap remains around £5m; Skegness A52 connection to A158 is part of Lincolnshire Coastal Highway Project - proposed option to take forward, the LEP has already provisionally allocated £4m towards the Skegness Gateway Scheme which includes this roundabout junction.	5400 homes; 1890 jobs; Unlocking 28 hectares of employment land
E13	Existing	Sleaford Growth Project Phase 2	Infrastructure	11,000,000	8,000,000	Yes	GD3 Bid	Comprehensive Town Centre Infrastructure Improvements. Includes new town centre link road, pedestrianisation scheme, town centre development sites and perimeter car parking strategy	To be reviewed as currently combined with Phase 1 in business case provided
E14	Existing	Local Improvements on the A46/A15	Infrastructure	TBC	10,000,000	No	GD3 Bid	<ul style="list-style-type: none"> Improvements to the A15/A1500 roundabout, assisting Bishop Burton College/Lincolnshire Showground & RAF Scampton, including the proposals for a hotel complex and further development of a FE College campus. Improvements to the A15/A631 roundabout, facilitating the development of employment land located at Hemswell Cliff in West Lindsey where 40ha of employment land is to be considered as a part of the Central Lincolnshire Local Plan and to be delivered by means of a Local Development Order. The Central Lincolnshire Food Enterprise Zone will strategically be located to serve the key agri-food clusters in the Greater Lincolnshire area (fishery in the South Humber Bank and local produce at Holbeach), therefore the A15 will play a crucial role in facilitating these links. Improved junction at Kirton in Lindsey, which is proposed for a mixed used housing and employment site. Improvements to the A15/M180/A180/A18 access routes, assisting in the delivery of key allocated employment sites in North Lincolnshire, such as the 15.48ha A18 Mortal Ash Business Park and improving access to the Ports of Grimsby and Immingham. A46 from Pennells roundabout to whisby road dualling is part of Lincolnshire Coastal Highway Project - proposed option to take forward, forms part of the Lincoln Southern Bypass bid via HE Growth & Housing fund at the moment; Western Relief road Phase 1 - not a short term priority; Lincoln Southern Bypass - HE Growth & Housing Fund bid	2950 homes; 4300 jobs; 5.48ha of land unlocked - would need to be revised pper project as and when business cases are submitted (currently includes the two Lincoln Southern Bypass related schemes)
E15	Existing	Grantham Southern Relief Road	Infrastructure	N/A	N/A	Yes	GD1/SIDP	Already supported by growth deal (£28m)	As per existing contract
E16	Existing	Spalding Western Relief Road	Infrastructure	64,000,000	7,000,000	No. Only a 2016 one for Section 1 which has now been found through other sources.	SIDP	Supporting housing growth to the west of Spalding. This project is now progressing with development of planning applications for the strategic highway route. Planning Applications for Sections 1 and 5 in Spring 2019 and plans for consultation on Sections 2-4 at the same time. Developer contributions to Sections 1 and 5 agreed as well as successful bid for Section 5 for Housing Infrastructure Funding - Sections 2-4 significant shortfall of funding that needs to be forward funded for the scheme to progress (£7m). Some Growth deal could contribute to this gap.	4000 homes next 20 years; 2100 jobs
E17	Existing	East Halton Flood Defences Project	Infrastructure	11,600,000	3,450,000 (per LEP)	No	GD3 Bid	Joint bid with Humber LEP for GD3 but was unsuccessful in both. There may still be scope to progress a similar approach with Humber LEP in the future but it would depend on their pipeline priorities also. Direct links to the Water Management Plan - focused on impact of tidal surge flooding on local businesses. Currently not high on their priority list.	3740 FTE jobs; £210m net additional GVA into the local economy
E18	Existing	Port of Immingham Sea defence Improvement Works	Infrastructure	12,300,000	TBC	No	SIDP	Reducing risk of flooding at the Port. Replacing gates with outer lock gates; improving and replacing flood defence assets along the frontage to the east and west of the lock (3.6km).	5080 jobs
E19	Existing	A16 Improvements	Infrastructure	5,200,000	N/A	No	SIDP	Improving route north and south of Boston, key coastal route strengthened and congestion addressed. Working with Boston Borough Council on development of Boston Distributor Road project - not progressing as quickly as anticipated. GLLEP already contributing significantly to Boston infrastructure works via growth deal.	1172 jobs
E20	Existing	Isle of Axholme Flood Risk Improvements	Infrastructure	22,000,000	? (£11m gap)	No	SIDP	Providing flood protection for businesses, residential properties, agricultural land and essential infrastructure in North Lincolnshire.	1333 jobs
E21	Existing	Flood Street Upgrades - Gainsborough Bridge Road	Infrastructure	10,000,000	TBC	No	SIDP	Increasing capacity of the Flood Street junction; Lea Road/Ashcroft Road junction; Thorndyke Way roundabout	Homes already counted via Gainsborough Growth project but these improvements support that project; 1392 jobs
E22	Existing	Beevor Street, Lincoln	Infrastructure	15,000,000	7,500,000	Yes, but needs updating	SIDP	Creating physical link from Beevor Street to the Western Growth corridor site	3200 homes; 587 jobs
E23	Existing	South East Sleaford Regeneration Route	Infrastructure	12,000,000	N/A	No	SIDP	Already included above in Sleaford Phase 2	571 homes; 200 jobs
E24	Existing	Smart Grid	Infrastructure/ Innovation	TBC	TBC	No	New Proposal	The GLLEP region has the advantage of some very high available loads, battery storage projects (Siemens) and distributed generation from renewable power generation sources, but requires the role out of EV charging infrastructure. In this project we will: Develop and deploy the digital ICT infrastructure to enable the rapid role out of a SMART Infrastructure across the GLLEP; Develop the SMART GRID energy supply (farmers with renewable generation, waste conversion sites) and demand market (EV / Batteries and existing large energy; Ensure the SMART GRID conforms to the OFGEM and DNO regulations, model the existing and verify its onward stability; Use the Smart Infrastructure solution to roll out up to 400 EV charging locations across in the GLLEP by 2020.	In the project, we will develop and demonstrate the SMART GRID via 3 demonstrators: a) EV charging point roll out: 400 stations integrated to rural power generation; b) High capacity battery charging: a demonstration of linking high capacity battery storage into the Smart Grid; c) Enabling housing development: deploying the Smart grid to enable housing infrastructure development (e.g. better use of the load generated by the Hykeham waste battery storage into the Smart Grid. This all aligns with the Industrial Strategy, The Clean Growth Strategy and the latest review of the Energy System by Deiter Helm.

P1	Pipeline Call Phase 1	Skegness Foreshore Masterplan Programme	Infrastructure/ regeneration	6,560,000	3,100,000	Outline Business Case	New Proposal	The project will deliver a programme of new investment along the Skegness Foreshore. The approach aims to balance ambition with deliverability – with a range of relatively low-key investments alongside some major interventions aimed at giving Skegness something new to shout about. It is clear that a phased approach to investment in the Foreshore is needed to extend the season and attract different groups of visitors. Delivery of these priorities must be seen as a long-term strategy for rejuvenation and refocusing of Skegness Foreshore. A number of priority projects have been identified to kick start the delivery of the Masterplan.	TBC
P2	Pipeline Call Phase 1	Sleaford Growth Project (Phase 1b)	Infrastructure/ public realm/ Housing	£300,000	£250,000	Outline Business Case	New Proposal	Feasibility project only can be delivered by March 2021. Main project being delivered in future years.	TBC
P3	Pipeline Call Phase 1	Digital Transport and Logistics Academy	Skills	5,650,000	3,750,000	Outline Business Case	New Proposal	The development of a Digital Transport and Logistics Academy in conjunction with Network Rail, the Victoria Group, Hire Association Europe and the Construction Plant Association will create an innovative multi-functional national training centre in Greater Lincolnshire. This will focus on developing port skills; crane operations; construction plant, including fork lift truck skills; steel erecting; stevedoring; leadership and management as well as improving digital skills at all levels to support further innovation. A suite of apprenticeships will also be developed with leading contractors, upskilling our workforce to be able to support major infrastructure projects across the region.	TBC
P4	Pipeline Call Phase 1	Isle of Axholme Flood Infrastructure	Infrastructure	35,000,000	3,500,000	Outline Business Case	New Proposal	Keadby Terminal Assisted Outfall: 2018 – 2021. This project consists of two key infrastructure improvements in Isle of Axholme. These seek to deliver improved flood defence and drainage infrastructure to protect existing/future homes, businesses and key infrastructure in the Isle of Axholme. Keadby pumping station could be delivered by 2021.	TBC
P5	Pipeline Call Phase 1	Plot K, Stallingborough Industrial Units	Infrastructure/ Employment Space	5,230,000	1,890,000	Outline Business Case	New Proposal	This project will deliver new high quality industrial units for small to medium size businesses on Plot K - Kiln Lane Industrial Estate near to the Port of Immingham and within the South Humber Industrial Investment Programme (SHIIP) area. The newly constructed units will replace an existing 45,000 sq ft warehouse, currently in a very poor state, this will be demolished. The project will see the construction of 7 high quality modern units comprises of 3 x 600m2 units and 4 x 700m2 units.	TBC
P6	Pipeline Call Phase 1	Centre for Public Health Education (capital element only by March 2021)	Skills	2,830,000	1,410,000	Outline Business Case	New Proposal	The Centre for Public Health Education will be established as part of the second phase of the University Campus North Lincolnshire (UCNL) and will support the wider Public Health agenda in North Lincolnshire through three distinct, but interrelated activities. 1. Providing educational pathways for local people to work in the active health workforce in Health, Care and related sectors; 2. Engaging and educating individuals who are in roles that provide them with an opportunity to proactively influence and promote health and wellbeing on a large scale; 3. Engage and train individuals in occupations that have the potential to influence health and wellbeing, but are not currently doing so.	75 Jobs created; 570 learners supported
P7	Pipeline Call Phase 1	Sleaford Moor Enterprise Park	Infrastructure	43,850,000	2,500,000	Outline Business Case	New Proposal	Sleaford Moor Enterprise Park (SMEP) is a 37 acre (14.7ha) Strategic Employment Site (SES) within the Central Lincolnshire Local Plan. Currently unserved, it has the potential to deliver Central Lincolnshire and Sleaford's ambitions for economic and employment growth by meeting the needs of fast growing local businesses in key sectors and facilitating inward investment, whilst also delivering LEP priorities. The site suffers from abnormal utility costs, as identified in the Future Proofing Utilities Study in Greater Lincolnshire (2017). Funding is sought for the provision of power to the site and this project has two elements: - Phase 1a) – technical study to identify electricity supply options for SMEP, including appraisals on renewables; Phase 1b) – implementation of the identified solution.	£41.35m public sector leverage; 621 Jobs created; 414 jobs safeguarded; 14.7Ha of land reclaimed
P8	Pipeline Call Phase 1	Borderville Expansion, New College Stamford	Skills	2,230,000	1,110,000	Outline Business Case	New Proposal	Extend and upgrade existing facilities to deliver digitally enhanced 21 st century curriculum offer in sports science, health and public services training and education. Enabling the college to provide higher level skills training in Southern Lincolnshire by: • Developing and delivering at least 10 additional qualifications by 2021/22; • Enable curriculum innovation to support business needs in sport, healthcare and public services, benefitting at least 220 employers by 2021/22 including Lincolnshire and Cambridgeshire police services; • Increase by at least 80% the number of learners accessing high-quality education and training in key sectors, including apprenticeships, HNC/Ds and Foundation Degrees by 2021/22.	TBC
P9	Pipeline Call Phase 1	E Factor Incubation, E Factor Group Ltd	Business & Innovation	1,200,000.0	£360,000	Outline Business Case	New Proposal	Creating modern incubation facilities in Grimsby. Refurbishment and fit out of an existing building (3 possible locations). Design will include temporary walls for adaptability, communal areas and training and development spaces, meeting rooms for 1:1 coaching as well as exceptional superfast broadband. The incubation area will be permanently manned by business advisors to support high impact, high potential start ups.	TBC
P10	Pipeline Call Phase 1	Advanced Engineering Manufacturing Unit, stallingborough EZ	Infrastructure/ Employment Space	2,490,000	£966,330	Outline Business Case	New Proposal	Total project cost £2.49m, GLLEP £966,330. This project will deliver a newly constructed low carbon 15,000sqft (1394sqm) factory unit on the Stallingborough EZ site in North East Lincolnshire. The premises will be designed and built by NELC for rental to a local electrical component manufacturer needing to re-locate to larger premises close to their current locality (within Northern Lincolnshire). The company manufactures eco-smart devices for the renewables sector including energy diverters, energy harvesting devices and equipment for EV charging stations, all for home use. Its Directors are Grimsby based hence the desire to remain in the area and retain their existing workforce. They have out-grown their existing business premises and in order to meet business demand need to find more suitable premises. This will be the first building to be constructed on the Stallingborough employment site with this company becoming the anchor tenant for the site.	TBC
P11	Pipeline Call Phase 1	Rural Business Hubs, InvestSK	Business & Innovation	2,600,000	1,300,000	Outline Business Case	New Proposal	Greater Lincolnshire is made up of vast tracts of rural land and villages – with businesses operating from their homes. There is an opportunity through local landowners with redundant buildings, and a challenge of rural isolation, that this project could address. The fund would contribute towards the conversion and initial running costs of hubs. Future years' costs would be met through rents and payment for other services. Areas of interest: Fulbeck in the north, Grimsthorpe and Easton at the centre and west, and Rippingale in the east. This is viewed as a pilot project which could rolled out across Greater Lincolnshire.	TBC
P12	Pipeline Call Phase 1	Grantham Utility Collaboration (Spittlegate level Grantham Southern Quadrant (InvestSK)	Infrastructure/ Housing	25,000,000	9,000,000	Outline Business Case	New Proposal	The project is to provide one of the largest regeneration schemes in the County with the necessary utilities infrastructure required to deliver a scheme of this size. In particular the need to ensure the availability of power to meet both the development phase and subsequent ongoing long term requirements of businesses, residents and retail operators is of upmost strategic importance and the current identified lack of such utilities is a major inhibitor to bringing the scheme forward in a timely and effective manner.	TBC
P13	Pipeline Call Phase 1	South Ferryby to Witheringham Flood Alleviation Scheme	Infrastructure	11,840,000	1,000,000	Outline Business Case	New Proposal	The proposed capital project will reduce the risk of tidal flooding to South Ferryby and the Ancholme valley flood plain (to people, business, infrastructure and agricultural land). Increase the height of existing flood banks and build 4km of new flood defence assets, which will sustain and grow key economic sectors on the South Humber Bank. The project will increase the resilience of 2.5km of existing flood defences west of CEMEX, reducing the risk of a breach of defences and subsequent catastrophic damage. The project will contribute to the delivery of the Humber Flood Risk Management Strategy which manages flood risk around the Humber estuary.	TBC
P14	Pipeline Call Phase 1	Made in Gainsborough Phase 2, Lincoln College	Skills	1,000,000	500,000	Outline Business Case	New Proposal	Refurbishment and expansion of the Gainsborough college training facilities to provide simulation suites, workshop facilities and equipment that focus on the Health and Care and Manufacturing and Engineering sectors to help to bridge skills gaps and support the recruitment of hard-to-fill vacancies within the Gainsborough area.	TBC
P15	Pipeline Call Phase 1	ParkAcre – Construction of New Innovation Centre (PROJECT2)	Business & Innovation	1,000,000	250,000	Outline Business Case	Being Assessed for GLGF	The refurbishment of an existing building owned by ParkAcre, into a dedicated 'Innovation/R&D Centre'. The 3000 sq. ft. 2 storey building is currently in a state of disrepair, and in need of significant refurbishment. Outlined plans would consist of a 1st floor of Cleanroom installation, to hosting our R&D scale equipment, Laboratory facilities and Inventories of new raw materials. Whilst the 2 nd floor would consist of offices/meeting rooms. A "change of use" is required which has already been approved verbally.	TBC
P16	Pipeline Call Phase 1	ParkAcre – Construction of New Warehouse (PROJECT1)	Business & Innovation	2,000,000	£500,000	Outline Business Case	Being Assessed for GLGF	The Project consists of the demolition of two brick built small storage units, and the construction of a steel framed building to support increased growth, and minimise inefficiencies that have arisen through a lack of warehousing and storage space currently. ParkAcre will use local construction contractors, through a tender process with the start date for construction in October 2019, and completion in 12 months (October 2020). ParkAcre's growth will be supported, as well as service levels for our expanding customer portfolio and competitiveness in winning new business. Ensuring safeguarding for the current 185 full time employees at ParkAcre, as well as introducing 85 new jobs over the next 2 years. ParkAcre sales growth in the last financial year was 32%, and continued investment is required to support the business as cash flows are strained during a high growth period. The new facility would be fully powered by renewable energy provider https://hemswellbiogas.co.uk/ , who already supply 100% of ParkAcre's electricity requirements via their Anaerobic Digester which is only 100 metres from the site. An agreement in principal is in place for Hemswell Biogas to support ParkAcre's continued expansion. All activities will take place at ParkAcre's 10 acre site in Hemswell Cliff, Gainsborough, DN21 5TJ.	TBC
P17	Pipeline Call Phase 1	Brigg Link Road	Infrastructure/ Housing	3,000,000	1,600,000	Outline Business Case	New Proposal	Total project cost £3m, GLLEP £1.6m. The primary aim of the Brigg Link Road is to gain access to the five housing allocations in Brigg to the north and west of the town (Approximately 800 dwellings across sites BRIH-1, BRIH-2, BRIH-3, BRIH-4 and BRIH-5). A Link Road from Wrawby Road, across Grammar School Road to Atherton Way through the land allocations is required as an integral part of the development. Furthermore it will provide an alternative east – west route through Brigg allowing for reduced and improved traffic flows in the town centre.	TBC

P18	Pipeline Call Phase 2	Isle of Axholme Flood Infrastructure	Infrastructure	10,000,000	1,000,000	Outline Business Case	New Proposal	Isle of Axholme Asset Improvements: 2018 - 2027. Isle of Axholme Asset Improvements & Keadby Terminal Assisted Outfall (Keadby Pumping Station) - these projects themselves will not generate many jobs (as they are replacing/refurbishing existing pumps and pumping stations in the Isle) but it will give better protection from flood risk in relation to the Isle of Axholme area. They will help to better protect £5.18 billion of existing investment in the Isle and give better flood risk protection to an allocated strategic employment site (55ha) at Sandtoft Business Park together with 150+ dwellings either allocate or with planning permission. These projects will also help give consideration of more development options and opportunities that might arise from future Development Plans. These schemes will provide flood protection, in a low lying area at risk of flooding, for businesses, residential properties, agricultural land and essential infrastructure whilst improving investor confidence in the area.	300 Jobs; 40 Housing Units; 550,000 commercial floorspace; 30m businesses assisted; 10 businesses created
P19	Pipeline Call Phase 2	Sleaford Growth Project (Phase 1b)	Infrastructure/Public Realm/ Housing	11,000,000	10,250,000	Outline Business Case	New Proposal	The first phase for the creation of new roundabouts and improving the capacity of existing roundabouts at strategic roads on the outskirts of the town (Phase 1a) has secured Single Local Growth Funding. Phase 1b - This will complement these works by providing a new town centre route to ease movement and relieve congestion whilst enabling a more vibrant town centre to be created by permitting a pedestrianised high street (Southgate). Together these enhancements will transform the town centre environment, making it more vibrant and encouraging further private sector investment to open up new sites to development providing retail and commercial floor space that is suitable for modern needs. Together this ensures that Sleaford is able to offer the services that its growing population demands in an attractive environment.	4044 Homes; 122,048 sqm commercial floorspace; 4,769 jobs; 700 jobs safeguarded; 67 businesses created; 14 businesses assisted; 8.5km new road; 8.5km new cycleways
P20	Pipeline Call Phase 2	Barton Link Road	Road Infrastructure/ Employment Land	TBC	TBC	Outline Business Case	New Proposal	The Barton Link Road Project (A1077 / Falkland Way to B1218 Barton upon Humber) will deliver a new road to the south of the town relieving the existing congested network and allowing for the growth of the manufacturing sector and opening up additional land for housing.	Unknown
P21	Pipeline Call Phase 2	Business Lincolnshire Growth Hub	Various	7,747,868	5,479,872	Outline Business Case	New Proposal	The project has been designed to support businesses achieve their growth ambitions. This project will commence after the ERDF programmes have come to a close in 2022 and will embody the successful elements whilst focusing on a new range of outcomes, increased productivity, GVA and job creation. The focus will be on achieving: • Greater productivity • Accelerating growth plans through advisory support, programmes and grants • Support our high growth, scale-up businesses to achieve planned rapid growth • Accessing new markets- locally, nationally and internationally • Supporting all businesses to utilise digital technology to gain competitive advantage • Support LEP priority sector businesses to make transformational change	426 Jobs 12M Private sector Investment 2m Public sector investment 1168 new businesses improving performance 6m GVA uplift 1087 Business Engagements 301 Businesses receiving grants
P22	Pipeline Call Phase 2	Western Growth Corridor, Lincoln (WGC)	Infrastructure/ Housing	28,000,000	14,000,000	Outline Business Case	New Proposal	To provide the physical link from Beevor Street to enable the future development of the Western Growth Corridor which will provide an additional 3,200 residential units with 20 hectares of commercial opportunities consisting of economic, retail and leisure uses within the city of Lincoln	Unknown
P23	Pipeline Call Phase 2	Barton to New Holland tidal defence improvements	Infrastructure	24,000,000	4,100,000	Outline Business Case	New Proposal	The project is to reduce the risk of tidal flooding to properties within Barton-upon-Humber, New Holland and Barrow Haven. The project meets a key economic growth objective of making strategic improvements to UK Plc infrastructure: namely improve 5.4km of flood defence infrastructure, which will protect and help maintain, strengthen and grow key economic sectors on the South Humber Bank from Barton-upon-Humber to New Holland.	19.1 Public sector investment levered 500-1000 Jobs safeguarded 350 housing units 50 Businesses improving performance 5Ha creation of Enterprise Zone
P24	Pipeline Call Phase 2	Saltfleet to Gibraltar Point Strategy Works Arising (2021 onwards)	Infrastructure	75,000,000	5,000,000	Outline Business Case	New Proposal	This project will deliver much needed flood risk infrastructure which protects the Lincolnshire coast (communities, businesses and wildlife) from tidal flooding between Saltfleet and Gibraltar Point. It will support partners secure a sustainable approach to flood risk management that improves confidence to investors helping the area to grow sustainably. The Saltfleet to Gibraltar point Strategy (SZGPS) will agree the interventions (actions) needed to manage flood risk from the North sea to the Lincolnshire coast between Saltfleet and Gibraltar Point over the next 100 years (taking into account climate change and sea level rise. The strategy will identify broad timescales for delivery of actions, however trigger points will lead to the commencement of detailed planning and delivery of the interventions / actions (this allows adaption to climate change / sea level rise). The interventions are likely to a mix of interventions such as beach nourishment, rock groynes, and reinforcement of hard defences. The total cost over the lifetime of the strategy is estimated to be £300m. Immediate investment will be needed from 2021 – 2027. Investment need is estimated to be £75m This includes some ongoing beach nourishment alongside 3 – 5 rock groynes (dependant on availability of funding).	Unknown
P25	Pipeline Call Phase 2	Fairfield Industrial Estate Extension	Infrastructure	10,749,292	3,000,000	Outline Business Case	New Proposal	East Lindsey District Council (ELDC) is keen to stimulate a more competitive, entrepreneurial economy which supports business and jobs growth. To achieve this, it is vital that businesses are provided with modern infrastructure to support growth and that the development opportunities open to the District are fully maximised	7.7m Public sector Investment 1163 new jobs 56,000 Sq m of new commercial space
P26	Pipeline Call Phase 2	The Gainsborough Marina and floating pontoon	Infrastructure	7,780,000	4,670,000	Outline Business Case	New Proposal	The project will see the development of a marina as a key tourist attraction in Gainsborough and a floating pontoon which will physically connect an isolated part of Gainsborough to the town centre and key amenities.	35 new jobs 220 Housing units 2.6 Public sector investment 500K Private sector investment
P27	Pipeline Call Phase 2	Gradus Business Centre: Northfields Industrial Estate Extension, Market Deeping	Business & Innovation	5,300,000	TBC	Outline Business Case	New Proposal	The project will create a strategic business facility to support the economic growth of the South Kesteven area. The Business Centre will create grow-on space for existing businesses, whilst releasing existing start-up space for new businesses and unlocking new strategic employment land.	50 New jobs 5.2m of Public Sector Investment 1115 Sq M commercial space 90 Business Improvements 750k GVA uplift 3 acres of site reclaimed 32k land uplift
P28	Pipeline Call Phase 2	Grantham Southern Gateway Sustainable Electricity Supply	Infrastructure	31,000,000	31,000,000	Outline Business Case	New Proposal	The project will underpin the future proofed electricity supply to the Grantham Southern Gateway, with the capacity needed to realise the project build out rate, identified by the strategic programme identified with the local plan. It would also provide further sustainable supply security/flexibilities for the wider Grantham area, due to the proposed growth aspirations.	New Homes 2,500 Employment Floorspace 88,110 sq.m. New Jobs 200 Safeguarded Jobs 110 New Businesses 10 Businesses Supported 12 Businesses Expanded 13 Private Sector Leverage £12.9 Increase in GVA £245 million
P29	Pipeline Call Phase 2	TEC Partnership Skills Capital Programme	Skills	9,700,000	4,850,000	Outline Business Case	New Proposal	This programme will provide targeted capital works in both Skegness and Grimsby – helping to fuel and facilitate social mobility in areas face complex challenges and high unemployment. It will drive skills development in growing sectors to meet the demand of local employers.	Unknown
P30	Pipeline Call Phase 2	Saltfleet to Gibraltar Point Coastal Defences	Infrastructure	600,000,000	TBC	Outline Business Case	New Proposal	The project is to maximise the benefits to Lincolnshire's coastal tourism economy of the Environment Agency's proposed long term coastal defence work between Gibraltar Point and Saltfleet by incorporating and maximising facilities and attractions for locals and visitors.	35,000 Hectares of land experiencing a reduction in flooding likelihood
P31	Pipeline Call Phase 2	Lincoln Science & Innovation Park, Phase II, North Beevor Street, LN6	Business & Innovation	6,800,000	3,400,000	Outline Business Case	New Proposal	The project will develop infrastructure to enable the commercial development of 12,000m2 of new R&D focussed facilities able to house more than 700 high-skilled employees. At the core of this will be an industrial research institute focussed on intelligence, surveillance, reconnaissance, digital communications and cyber technologies. The project will utilise existing unique assets and specialisms off the Greater Lincolnshire area to enhance skills, increase interaction between the private sector and the research base to increase innovation intensity and thereby drive productivity growth, create high skilled jobs and a GVA uplift.	3.4m Private sector investment 50 New jobs 1000 Sqm Commercial floorspace 70 Businesses improving performance 125 new learners supported
P32	Pipeline Call Phase 2	StamTech Innovation Centre	Business & Innovation	6,000,000	3,000,000	Outline Business Case	New Proposal	This project will significantly increase innovation capacity and managed workspace provision in the South Kesteven District, increasing innovation performance in Greater Lincolnshire, improving GVA and creating new businesses and highly skilled jobs in key sectors.	3m Private sector Investment 55 new jobs created 2000sqm commercial floorspace 100 Businesses improving performance
P33	Pipeline Call Phase 2	Upgrade to A15 Riseholme Roundabout (A15/A46 Junction) and Junction 4 (A15/M180 Junction)	Infrastructure	TBC	TBC	Outline Business Case	New Proposal	Upgrading / dualling / partial dualling of the A15 providing improvements to the stretch of the A15 running from Scunthorpe to Lincoln (including existing A46 Lincoln Western bypass).	Unknown

could deliver in 2021

P34	Pipeline Call Phase 2	SHIP – Immingham Cycle Way	Infrastructure/ public realm	1,250,000	1,000,000	Outline Business Case	New Proposal	This project will introduce a new 2.1km segregated pedestrian and cycle route between the SHIP employment site and the neighbouring town of Immingham alongside the busy (9100+ vehicles – 7am-7pm) and fast moving A1173 carriageway where no footway or cycleway exists at present. The vehicle flow and speeds act as a severe deterrent to residents of Immingham choosing sustainable transport alternatives on their way to and from work	17km New cycle ways completed and open for public use 17 construction jobs
P35	Pipeline Call Phase 2	Employment Opportunity at RAF Scampton	Business & Innovation	975,000	700,000	Outline Business Case	New Proposal	seeking enabling funding which will be used to create serviced office accommodation available to let at RAF Scampton to the north of Lincoln. The project will become an early catalyst for the future redevelopment of the former RAF base following the announcement that it will be decommissioned in 2022.	58 new jobs 706 Sqm commercial floorspace
P36	Pipeline Call Phase 2	Waddington Technology Park	Business & Innovation	6,495,000	TBC	Outline Business Case	New Proposal	The project will provide a purpose-built technology park for the Defence sector which serves the MOD at RAF Waddington, enabling its expansion, diversification and economic growth.	150 new jobs 6m Public Sector investment 1115 Sqm Commercial floor Space 8 Businesses improving performance 12.5Million GVA Uplift 3 acres land reclaimed
P37	Pipeline Call Phase 2	Water Resources East – Phase 1 Smart Water Catchment Management. Phase 2 – Projects Emerging	Infrastructure	14,020,000	5,768,000	Outline Business Case	New Proposal	Phase 1: the Smart Water Catchment Management scheme 'Our vision is for "smart" catchments, where technology linked to the abstraction and use of water enables resources to be captured and used more efficiently and sustainably. Smart Water Management (SMW) requires a detailed understanding of what happens to water within a catchment, from when rainfall hits the ground to the point of discharge to sea. This requires data collection relating to rainfall, groundwater levels, river levels, flow rates and water quality, provided by instrumentation installed in strategic locations throughout catchments. Data can then be collected on a live and ongoing basis and used to inform SWM decisions that protect the environment and maximise the availability of water for other uses. Phase 2: Portfolio of projects emerging from Water Resource East and the Regional Water Resource Management Plan (2022) Phase 1 will inform and add value to the nationally significant infrastructure projects required to provide resilient water supplies in the Anglia region, by working collaboratively with stakeholder represented by the South Lincs Water Partnership. The projects delivered in phase 2 will be underpinned by the Smart Water Management catchment scheme which will provide real time data to inform smart water management decisions that protect the environment and maximise the availability of water for other uses.	104.6 Ha surface of habitats supported to attain a better conservation status 236 Businesses and properties with reduced flood risk 4m Public sector investment 4m private sector investment
P38	Pipeline Call Phase 2	Lincoln : Vibrant City Centre Intervention Programme	Infrastructure/ public realm	£11,421,400	£6,852,840	Outline Business Case	New Proposal	The project is an opportunity to review and accelerate key intervention sites, in the context of changing trends in retail/consumer demands and Business and Housing needs which will protect the fabric of this nationally important historic City and accelerate the growth potential over the next 5-8 years capitalising on recent and planned City Centre investment and infrastructure network improvements. Key intervention sites to be accelerated are: • Lincoln Central Market Building and City Square refurbishment. • Lincoln High Street Public Realm, St Benedict's Square and Cornhill • Wigford Way Regeneration area	Unknown
P39	Pipeline Call Phase 2	Centre for Innovation in Rural Health	Business & Innovation	£19,107,466	£11,464,478	Outline Business Case	New Proposal	The Centre for Innovation in Rural Health will create a 4,492m2 building to provide a focal point for research, training and community engagement, devising and providing solutions to the challenges of delivering health care and improving population health in rural settings. In a location adjacent to the Lincoln Medical School Building, it will provide space for: • The co-location of the National Centre for Rural Health and Care, The Lincoln Institute of Health, including the Professors of Rural Health, Public and Preventative Health, Ageing and Elder Care and their research teams • Visiting scholars from LaTrobe University, our partner institution in Australia • The School of Pharmacy; teaching facilities for a PG diploma and MSc in Rural Health and Medicine • A digital health innovation suite, a community hub for the inclusion of patients in the development of health solutions and space for the industrial supply chain to engage	7.6m Private sector investment 4492 Sq m Commercial floorspace 95 businesses Improving performance 985 learners supported
P40	Pipeline Call Phase 2	Greater Lincolnshire Energy Testbed	Infrastructure/ Innovation	16,000,000	9,600,000	Outline Business Case	New Proposal	The Greater Lincolnshire Energy Testbed proposal has been developed to respond directly to the Greater Lincolnshire Energy Strategy. It will unlock economic growth potential, deliver high skill jobs in the region and remove a critical barrier to industries (particularly agri-food) ability to deliver productivity gains. The proposal will be of national significance, aligning with the Governments' Industrial and Clean Growth Strategy. The proposal will deliver this by whole energy system design and demonstration, creation of novel business models and integration concepts enabled by advancements in technology. It will harness multiple, seemingly, disparate local activities across agriculture, transport, water, waste, commerce and built environment to maximise energy efficiency and re-use. Two large scale demonstrations will be delivered: 1) Urban Challenge: The development of a SMARTGRID on the University of Lincoln campus 2) Rural Challenge: The development of private and public wire fused electrical networks to connect rural low carbon power generation (AD, Solar PV, Batteries) into industrial / domestic power demand	2.4 Public sector investment 4m private sector investment
P41	Pipeline Call Phase 2	Greater Lincolnshire Formulation Hub	Business & Innovation	£6,054,176	£3,632,505	Outline Business Case	New Proposal	The Greater Lincolnshire Formulation Hub will create an 829m2 state-of-the-art facility to enable workforce training, product design and development based on cutting-edge innovation in formulation technologies (the process by which different chemical substances are combined to produce a final product) for the following key GLEP sectors: agri-food, health & care (pharma- and nutraceutical), manufacturing (chemicals, household and personal care products) and energy (energy materials and storage). Access to this facility will drive innovation, growth and productivity across the majority of SEP and emerging LIS sectors. The Hub, located between the University of Lincoln and Lincoln Science & Innovation Park will provide specialist facilities for design, testing and scale-up pilot manufacture of innovative structured materials as. It will create a unique training environment to drive skill levels in the regional workforce and inject new talent through targeted undergraduate and postgraduate programmes, driving higher level skills within the GLEP region.	2.4 Private sector investment 829 Sqm commercial floorspace 75 Businesses improving performance 370 new learners supported 13 New business created
P42	Pipeline Call Phase 2	Future Proofing the Agri-Food Industry	Business & Innovation/ Skills	£42,014,043	£21,713,625	Outline Business Case	New Proposal	Phase one of the Holbeach FEZ is creating around 16,000m2 of new business space, capable of supporting over 400 jobs. Acquisition and development of a second phase is already underway, this will extend the development to 99,000m2. The FEZ (a strategic development priority for the LEP, Lincolnshire County Council and South Holland District Council) will drive productivity and growth in agri-food businesses in South Holland and across the whole GLEP region. The full site will contain skills and research & development functions alongside industry to catalyse growth and productivity gains for the benefit of the local, regional and ultimately national economy. This programme application will build on existing LEP investment and accelerate the development of the site through the: 1. Creation of a UK Food Chain Automation Centre 2. Delivery of an industry digitalisation programme 3. Delivery of the infrastructure required to unlock the wider site	20.3m Private Sector investment 500 new jobs 2133 Sqm commercial floorspace 400 new businesses Improving performance 500M GVA Uplift 50 Student/Graduate Placements/Internships 30 Businesses receiving digitalisation grant support
P43	Pipeline Call Phase 2	National Centre for Sustainability in the Built Environment	Business & Innovation/ Skills	TBC	TBC	Outline Business Case	New Proposal	Working with national employers in the construction & facilities management sectors, the University of Lincoln (with North East Lincolnshire Council, ABP Humber, the Grimsby Institute and the lead developer in the Grimsby town regeneration project) will establish a National Centre for Sustainability in the Built Environment. Aligned with the development plans for North East Lincolnshire and the role of Grimsby as a major import terminal for construction materials, the National Centre will meet the skills, training and applied research needs of the industry, and attract learners from the region and nationally.	Unknown

says deliverable by 2021

ph1 could be completed by timeframe

P44	Pipeline Call Phase 2	Enhanced Inward Investment and Investor Development Service	Business & Innovation	TBC	TBC	Outline Business Case	New Proposal	Enhance the current Investment and Investor Development Service by: *Account management of foreign owned businesses (FDIs), providing additional capacity and resilience utilising better the tools and marketing expertise that DIT provides and increasing the number of accounts managed from circa 70 to circa 120. *Promotion of the area to attract investment through the Team Lincolnshire Ambassador Programme, working with DIT and Midlands Engine and other marketing channels by the use of a Lead Generation Company which will provide specific targeted end users across all Key sectors * Handling investment enquiries – improving the proposals to investors, improving product knowledge, links with DIT specialists and DIT consulate staff, better use of tools that DIT provide eg Great Assets Library, updating more consistently the Surfacing the National Offer (SNO) which will improve lead generation	Increase account management of FDIs from 70 to 120 over a period of 3 years Increase sectors targeted from 3 to 6 over 3 years Produce 3 HPOs over 3 years Account manage all members of Team Lincolnshire over 3 years
P45	Pipeline Call under £1m	Horncastle Industrial Estate Extension	Infrastructure	£700,000	£200,000	Outline Business Case	New Proposal	The scheme would be delivered by LCC with GLEEP support in conjunction with utility providers. LCC own the land as part of their County Farms estate with the costs incurred as follows: Utility services costs (Electricity, Gas, Water, Telecoms etc); Planning (Planning for site development and use classes); Highway infrastructure (site access from A153 or Spratt Close and service road, street lighting, drainage); Fees. Businesses looking to locate or grow within the town will benefit from the project that will initially provide 20 hectares of ready serviced land which can be sub-divided. Providing the land as serviced is more attractive to potential buyers and allows LCC to charge a higher price per acre, creating a capital receipt. Other beneficiaries will be the town itself, as any relocating or expanding business will have the potential to create jobs and generate income for the town and surrounding areas. Businesses that relocate or expand onto the site will also benefit from the construct of the Coastal Highway. The activity will take place along the A153 (Boston Road) in Horncastle. The 20 hectares runs along the southern side of the Holmes Way Industrial Estate and is to the east of Boston Road.	TBC
P46	Pipeline Call under £1m	Huttoft Boat Shed Visitor Centre	Business & Innovation	£250,000	£125,000	Outline Business Case	New Proposal	The project will replace an existing redundant boat shed with a new visitor facility, metres from the seafront, at Huttoft, between Sutton on Sea and the new North Sea Observatory. The building will contain a high quality café and kiosk and an external area capable of hosting larger 'pop-up' summer food and other events. It will also be able to host satellite art exhibitions and activities in conjunction with the North Sea Observatory Gallery in Chapel St Leonards. It will provide information to visitors on local attractions within the Lincolnshire Coastal Country Park. It will also provide information, refreshment and toilet facilities for walkers using the new National Coastal Footpath, passing directly outside the building.	TBC
P47	Pipeline Call under £1m	Culture for the County	Business & Innovation	£360,000	£250,000	Outline Business Case	New Proposal	The building of a digital platform to draw all agencies together and form the bedrock of data for the existing and planned future years of arts and culture activity; The gateway will be exclusively via existing tourism platforms and will aim to increase existing membership and support the work of marketing Lincolnshire; The platform will foster local exchange and collaboration rather than competition; The platform will nurture long-term relationships with creative talent and with audiences and visitors; The platform bedrock will then enable a phased approach to grow the future activity within the county. The key to future ambitions to attract funders and investors interested in a collaborative model will be supported by intelligent embedded research toolkits that will deliver sufficient reach data and statistics to secure further third sector funding. The project will build on the momentum of existing arts and cultural tourism work, revealing the region's cultural highlights, collaborating on active cross-promotion of clusters of activity in the cultural calendar, developing our digital assets and investing in the development of our network of small and medium sized festivals and our appeal to families, business and education. The theatre will harness and deploy local talent in digital innovation and marketing to launch the project, they will then create national partnerships to develop innovative digital solutions to build arts and cultural tourism, nationally and internationally. They will work to identify and develop a pipeline of projects that will connect and support communities across Lincolnshire and deliver the strategy, coordinating powerful regional bids into new place based national funding streams designed to support areas like Lincolnshire where there is a strong potential local partnership and commitment to embed culture into economic growth. The project will also develop practice networks and presentation platforms for directors, writers, artist and performers – Artist database.	TBC
P48	Pipeline Call projects conceptual stage	Winteringham Ings to South Ferriby Flood defence scheme	Infrastructure	TBC	TBC	No	New Proposal	Assessment on the demand for the project has been undertaken, particularly focusing on the economic and social impact if the area in question is not protected. These include direct impacts to homes and businesses but also the indirect impacts of the A1077 being closed as a result of flooding. The significant impacts of the flooding were realised in December 2013 when homes and businesses were flooded and the road in question was closed as a result.	TBC
P49	Pipeline Call projects conceptual stage	National Centre for Sustainability in the Built Environment	Business & Innovation	TBC	TBC	No	New Proposal	Working with national employers in the construction & facilities management sectors, the University of Lincoln (with North East Lincolnshire Council, ABP Humber, the Grimsby Institute and the lead developer in the Grimsby town regeneration project) will establish a National Centre for Sustainability in the Built Environment. Aligned with the development plans for North East Lincolnshire and the role of Grimsby as a major import terminal for construction materials, the National Centre will meet the skills, training and applied research needs of the industry, and attract learners from the region and nationally.	TBC

Pipeline Call Phase 1 - Under Assessment (Dec 2018 - 8 Jan 2019) - Projects potentially achieving financial completion by March 2021

Pipeline Call Phase 2 - Under Assessment (9 Jan 2019 – 25 Jan 2019) Medium term and conceptual projects.

Pipeline Call projects received under £1m minimum designation - Under Assessment (9 Jan – 25 Jan)

Pipeline Call projects received conceptual stage

Investment Board

10 January 2019

Paper 4 - North Lincolnshire Higher Level Technical, Business Skills and Innovation Hub

1. PAPER FOR DECISION

- 1.1 This paper seeks Investment Board approval to contracting stage for the North Lincolnshire Higher Level Technical, Business Skills and Innovation Hub (TBSIH) Project in Scunthorpe. The project is being considered as part of the Growth Deal supported Skills Capital Investment Fund Programme.

2. BACKGROUND

- 2.1 In July 2016 a Growth Deal 3 allocation of £29.45m was awarded to Greater Lincolnshire, of which £6.7m was initially made available towards a new Skills Capital Investment Fund at the July 2017 Investment Board. A call for projects in August 2017 and subsequent panel scoring process resulted in four schemes being identified for provisional growth deal allocations. At the 8th March 2018 Investment Board members approved a programme approach to the Skills Capital Investment fund, formally agreeing £7.34m towards the programme and enabling it to proceed to contracting stage.
- 2.2 The TBSIH scheme was one of the four projects awarded an allocation, being provisionally offered £1.8m out of the £4m requested due to limitations on the amount of overall funding available within the Programme.

3. THE PROJECT

- 3.1 The project is led North Lindsey College in partnership with the University of Lincoln and North Lincolnshire Council offering seamless progression from Level 3 -8, short credit rated programmes, executive education and a vibrant space to stimulate and foster innovation. It is supported by the Team Humber Marine Alliance which represents '190 innovative companies offering wide-ranging supply chain capabilities in the marine and offshore energy sectors' <http://thma.co.uk> and a number of employers across a range of sectors, including British Steel, Cristal, Jacobs Site Services, Engie, and Fabicon.

A specific focus on the SME sector will aim to stimulate innovative approaches to achieving employer investment in skills, breaking down barriers to investing in training.

- 3.2 The project will target the LEP's priority areas for skills development focusing on:
 - Building Leadership Networks providing an innovation hub for connectivity for local businesses

- Professional Development Opportunities: providing University credit rated short courses in leadership skills, executive education and training, Engineering, manufacturing and logistics
 - Leadership Qualifications - from Level 3 through to Level 8, offering professional training and education, particularly through higher level and degree apprenticeships
 - Innovation and Entrepreneurship
 - A portfolio focused on engaging the SME sector
- 3.3 The DN Colleges Group have agreed in principle terms for leasing the former Civic Centre from North Lincolnshire Council, which the Council are relocating from into a new multi-functional public sector building in Church Square under the auspices of the One Public Estate initiative. The Civic Centre is now vacant and comprises a significant listed building in a prime location in Scunthorpe. The lease is intended to be for a period of 125 years for which the College will be legally obligated to pay £20,000 per annum in terms of a rent to the Council.
- 3.4 This project appraisal relates to Phase 1 of the project only and will provide:
- A learning space for students to meet with others for formal and informal learning.
 - An incubator space for new businesses.
 - A resource for other CME's to access innovation support.
 - Temporal flexibility in that the centre will be open into the evenings and weekends.
 - Encourage collaboration through provision of common area for people and businesses to mix.
 - Interaction through the exchange of ideas and media.
 - Public accessibility through the provision of a showcase for activities.
 - An innovation space being a shared area for students and external customers who want to buy short term access.
 - New business work space comprising a large open plan space with hot desking along with some small separate offices for short term rental use.
- 3.5 Phase 2 of the scheme is intended to be delivered through a University led application of £3.6m to government towards a wider Lincolnshire Institute of Technology. Successful bids will be determined nationally in Spring 2019.
- 3.6 The initial courses to be offered at the TBISH are briefly summarised as follows:
- Degree Apprenticeships - including BA (Honours) Professional Practice and MBA Leadership to Level 7.
 - Short credit rated business and leadership courses.
 - A professional development portfolio for those in associated professional and assistant technician roles.

- Enterprise and innovation - support for business start-up for those businesses associated with product design, innovation management, technology transfer, business development and social enterprise.
- Remote technologies, supporting learning in industrial context and flexible modes of delivery.
- Two new degree apprenticeship standards approved by highly relevant industries will provide new programmes to be validated at post graduate level.
- Construction development - delivered through higher level apprenticeships.
- Technical higher education skills - including leadership skills for engineers.
- New foundation degrees in renewable energy, continuous business improvement and network engineering.

4. MATCH FUNDING

4.1 The total estimated cost of the Phase 1 scheme is £6.9m. The current position with the funding for the scheme is as follows:

DN Colleges Group is seeking a total of £2.3m from GLLEP.

- £1.8m is already allocated from GLLEP and is fully required for the Phase 1 project.
- An additional £200,000 is being requested by DN Colleges Group from GLLEP. This could be provided from currently unallocated funding within the Growth Deal Capital Programme. Investment Board has previously agreed that should any growth deal funding become available for reallocation it can be considered towards existing pipeline schemes, and projects within the Skills Capital Investment Fund Programme which originally received reduced allocations would qualify for consideration. A similar approach was previously taken with the Food Enterprise Zone Programme with an additional £300,000 allocation being awarded to the Europarc FEZ project.
- North Lincolnshire Council as key partners for the TBSIH scheme have formally written to GLLEP requesting approval to potentially repurpose £300,000 of Growth Deal funding into the TBSIH scheme from the Scunthorpe Town Centre project given its strategic importance to North Lincolnshire. If Investment Board are supportive of this approach the £300,000 would be taken from public realm related costs (£100,000) and the Church Square Extension (£200,000). North Lincolnshire Council would therefore look to increase their own future capital programme commitment

to the Scunthorpe Town Centre Scheme to ensure its continued delivery going forward. Changes could be applied via a contractual variation could be applied should this proposal be supported.

- 4.2 £2m from the DN Colleges Group capital reserves has been approved by the Board of Governors for investment into the scheme.
- 4.3 £2.6m is to be invested from North Lincolnshire Council by way of a loan provided to the DN Colleges Group, which the Council are to secure via prudential borrowing. As this investment will be a loan, the College will be required to make an annual repayment of £182,000 per annum, which will be met through the College leasing their existing building. DN Colleges Group have also confirmed that in the event that North Lincolnshire Council are unable to secure the full £2.6m required to be into the scheme, that the Colleges Bank will lend any shortfall invested from the Colleges existing loan facility.

5. OUTPUTS AND OUTCOMES

- 5.1 The outputs and value for money assessment for this project can be summarised as follows:

	2018/19	2019/20	2020/21	2021/22	Future Years	Total
i) Core Outputs (Strategic Economic Plan)						
Private Sector Investment Leveraged (£)	700,000	1,300,000				2,000,000
Additional investment leveraged (£) (North Lincolnshire Council Loan)						2,491,753
ii) Local Strategic Outputs						
Commercial floorspace refurbished/constructed and occupied (sqm)	2,350					2,350
Number of businesses assisted to improve performance		10	15	25		50
Number of learners supported	250	483	550		600	1883
Number of new businesses created	3	5	5	20		33
GVA Uplift					11,000,000	11,000,000
Number of new curriculum/training courses	12	16	24	30	34	116

- 5.2 Given the Skills Capital Investment fund focus of this project skills related outputs are regarded as a key priority. The number of learners supported equate to £1,221 per learner which is good value for money. In addition, the number of new curriculum/training courses equate to £19,827 per course and are also considered to be good value for money.

6. MILESTONES

6.2 The following milestones are appropriate for the delivery of this project:

- December 2018 - planning application submitted. This has been achieved.
- January 2019 - agreement to lease engrossed with the Council.
- January 2019 - match funding package finalised.
- January 2019 - the procurement process to secure a contractor commenced.
- March 2019 - planning permission secured.
- March 2019 - design and build contract awarded.
- April 2018 - works commence on site.
- September 2019 - practical completion of the works.
September 2019 - commencement of educational and training activities at the refurbished civic building.

7. CONDITIONS

5.1 Approval of £2,300,000 towards the project is recommended from the Single Local Growth Fund with £300,000 being released back into the Growth Deal programme from the Scunthorpe Town Centre Scheme; however the following conditions are to be incorporated into the funding agreement:

- A copy of the finalised Heads of Terms for the agreement for lease and lease to be provided prior to drawdown of funding.
- Confirmation of the final match funding package to be confirmed and demonstrated by the College as a pre-contract condition.
- Confirmation of the extent of works to be undertaken by North Lincolnshire Council along with a programme for the works and overall level of investment as this may be considered as a financial contribution to the scheme by the Council.
- A copy of the planning approval and listed building consent to be provided prior to drawdown of funding.
- A copy of the report on tenders and lowest tenders for the selection of the design and build contractor for the scheme.
- An up to date programme for delivery of the project.

6. RECOMMENDATION

6.1 That the Investment Board formally approves £1,800,000 of Single Local Growth Fund towards delivery of the TBSIH scheme via the Skills Capital Investment Fund Programme; approves an additional £200,000 of currently unallocated growth deal funding towards the scheme; and approves the approach suggested by North Lincolnshire Council to repurpose £300,000 from the Scunthorpe Town Centre scheme to the TBSIH project, making the total SLGF contribution £2,300,000.



Greater Lincolnshire Local Enterprise Partnership

Due Diligence Assessment

In Respect of

Skills Capital Investment Fund

For

**North Lincolnshire Higher Level Technical Business
Skills and Innovation Hub
University Campus North Lincolnshire
Scunthorpe**

3rd January 2019

CONTENTS

	Page No.
1.0 PROJECT SUMMARY AND PLANNING STATUS	2
2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING	4
3.0 KEY ISSUES	5
4.0 STRATEGIC FIT	7
5.0 MARKET ASSESSMENT	8
6.0 DEVELOPMENT APPRAISAL	8
7.0 DELIVERABILITY AND PROGRAMME	10
8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE	11
9.0 PROCUREMENT	11
10.0 OUTPUTS AND VALUE FOR MONEY	12
11.0 MILESTONES	13
12.0 RISK ASSESSMENT	14
13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT	16
14.0 CONCLUSIONS	16
15.0 RECOMMENDATIONS	17

APPENDICES

I	BUSINESS CASE AND KEY SUPPORTING DOCUMENTATION
II	GOVERNORS, RECORD OF A MEETING

1.0 PROJECT SUMMARY AND PLANNING STATUS

- 1.1 A detailed Business Case has been submitted by North Lindsey College (now DN Colleges Group) who are a post 16 education and training provider based in Scunthorpe. Skills Capital Investment Fund of £2.3m is sought in order to enable delivery of a technical, business skills and innovation hub (TBSIH) which comprises Phase 1 of the wider university campus project for North Lincolnshire which is proposed to be located on the periphery of Scunthorpe town centre.
- 1.2 The DN Colleges Group have agreed in principle terms for leasing the former Civic Centre from North Lincolnshire Council, which the Council are relocating from as part of the two phase Scunthorpe town centre project, into a new multi-functional public sector building under the auspices of the One Public Estate initiative.
- 1.3 The Civic Centre is now vacant and comprises a significant listed building in a prime location in Scunthorpe, which has been identified as suitable for a two phase scheme by the DN Colleges Group and as referred, this appraisal relates to the Phase 1 element of the building only.
- 1.4 The TBSIH is designed as a technical business skills and innovation hub that will provide a single location to target businesses, deliver education and training along with incubator and innovation space for new and growing businesses. Specifically the facility will provide:
 - A learning space for students to meet with others for formal and informal learning.
 - An incubator space for new businesses.
 - A resource for other CME's to access innovation support.
 - Temporal flexibility in that the centre will be open into the evenings and weekends.
 - Encourage collaboration through provision of common area for people and businesses to mix.
 - Interaction through the exchange of ideas and media.
 - Public accessibility through the provision of a showcase for activities.
 - An innovation space being a shared area for students and external customers who want to buy short term access.
 - New business work space comprising a large open plan space with hot desking along with some small separate offices for short term rental use.
- 1.5 The project will be delivered in partnership with the University of Lincoln and North Lincolnshire Council, offering a seamless progression from level 3 to 8, through short credit rated programmes, executive education and a vibrant space to stimulate and foster innovation. The scheme is supported by the Team Humber Marine Alliance which represents 190 innovative companies offering wide ranging supply chain capabilities in the marine and off shore energy sectors. In addition, a number of other employers supporting the TBSIH are British Steel, Cristal, Jacobs Site Services, Engie and Fabicon.

- 1.6 The TBSIH will have a specific focus on the SME sector and will aim to stimulate innovative approaches to achieving employer investment skills and breaking down barriers to investing in training through higher education and developing higher skills levels. Businesses will also be supported to understand opportunities and threats in terms of their own skills shortages and potential solutions.
- 1.7 Phase 2 of the scheme is intended to be delivered through an application of £3.6m of funding from the Lincolnshire Institute of Technology (LIoT (yet to be determined)) which will enable the establishment of the Institute of Technology brand and the ability to expand on skills training and employer skills in this regard. In addition, it is intended that the university centre at North Lindsey College will be relocated into the building along with the delivery of a Health and Education Centre, which has recently submitted an expression of interest to GLLEP following a recent call for projects.
- 1.8 The initial courses to be offered at the TBISH are briefly summarised as follows:
- Degree Apprenticeships – including BA (Honours) Professional Practice and MBA Leadership to Level 7.
 - Short credit rated business and leadership courses which will provide sequential and staged engagement across engineering, project management, leadership, building high performance teams, succession planning and product and innovation management.
 - A professional development portfolio for those in associated professional and assistant technician roles.
 - Enterprise and innovation – support for business start-up for those business associated with product design, innovation management, technology transfer, business development and social enterprise.
 - Remote technologies, supporting learning in industrial context and flexible modes of delivery.
 - Two new degree apprenticeship standards approved by highly relevant industries will provide new programmes to be validated at post graduate level.
 - Construction development – delivered through higher level apprenticeships to develop sustainability and modern methods of construction (MMC) into curricular.
 - Technical higher education skills – including leadership skills for engineers.
 - New foundation degrees will be developed in renewable energy, continuous business improvement and network engineering.
- 1.9 If there are any issues with the College not being able to secure sufficient funding for delivery of the Phase 2 refurbishment of the building, the College will seek to secure temporary occupiers into this space until funding is secured. Alternatively as a worst case scenario, some of the areas within the civic building are capable of being closed up and to be considered for other refurbishment and use at a later date.
- 1.10 The project will require planning permission to be secured given the change of use of the building along with listed building consent given that the building is also listed. Planning permission and listed building permission have been applied for and it is anticipated that consent will be obtained around March 2019. The applicant has advised that discussions have been undertaken with the planning authority at North

Lincolnshire Council who have confirmed that as no changes are to be made to the exterior of the building and this primarily relates to enhancement, preservation and internal reconfiguration that the scheme is unlikely to be considered contentious; however will clearly be subject to due process as the application is considered through the planning and listed building statutory processes.

2.0 FUNDING SOUGHT AND STATUS OF MATCH FUNDING

2.1 The total estimated cost of the Phase 1 scheme is £6.9m. Total funding sought is summarised as being secured from various sources with the GLLEP funding now being confirmed by the College as the only required funding to be secured to enable the delivery of Phase 1.

2.2 The project was initially submitted to GLLEP in 2017 and sought £4m of funding to be able to deliver the scheme in its entirety. At this time, GLLEP allocated £1.8m for the scheme which was subsequently dependent on other sources of match funding being secured. The current position with the funding for the scheme is as follows:

- £1.8m allocated from GLLEP is fully required for the Phase 1 project.
- An additional £200,000 is requested by DN Colleges Group from GLLEP from the Growth Deal Capital Programme.
- North Lincolnshire Council have approached GLLEP in seeking approval to repurpose £300,000 of funding into TBSIH from the town centre project. The Council are currently reviewing the town centre infrastructure works in seeking to make available this funding.

2.3 Therefore, DN Colleges Group are seeking £2.3m from GLLEP.

2.4 Match funding has been secured from the following sources:

- £2m from the DN Colleges Group capital reserves has been approved by the Board of Governors for investment into the scheme.
- £2.6m to be invested from North Lincolnshire Council by way of a loan provided to the DN Colleges Group, which the Council are to secure via prudential borrowing. As this investment will be a loan, the College will be required to make an annual repayment of £182,000 per annum, which will be met through the College leasing their existing building to an identified tenant with whom negotiations are currently at an advanced stage. The letting of this building is anticipated to generate a rental income of around £205,000 per annum.
- DN Colleges Group have also confirmed that in the event that North Lincolnshire Council are unable to secure the full £2.6m required to be invested into the scheme, that the Colleges Bank will lend any shortfall from the Colleges existing loan facility.
- The DN Colleges Group further advise that all of these issues are likely to be finalised early in January. It is therefore recommended that as a condition of GLLEP funding that the College be required to provide written evidence to demonstrate that all match funding required for the delivery of the Phase 1 scheme has been secured.

- 2.5 We are also aware from copies of the Heads of Terms that have been provided for the agreement for lease between the DN Colleges Group and North Lincolnshire Council that the lease is intended to be for a period of 125 years for which the College will be legally obligated to pay £20,000 per annum in terms of a rent to the Council. Also being considered is whether an additional sum be incorporated within the rental charged for the building to repay any financial contribution that the Council may make towards the total cost of delivering any works as part of the TBSIH project including interest, loan arrangement fees, risk, opportunity costs, which have been incurred directly or indirectly by the Council in seeking to secure prudential borrowing for investment in the scheme.
- 2.6 It is therefore recommended as a condition of the investment that the final Heads of Terms and agreed rental along with any subsequent provision for a break clause within the lease be confirmed and provided by the College to GLLEP, to demonstrate deliverability of the project as currently proposed.

Phase 2

- 2.7 In terms of funding being secured for the Phase 2 element of the project, this is dependent on a decision being made on the IOT funding application, anticipated in March 2019 earliest. In addition, further funding is being sought from GLLEP following the call for pipeline projects, which will be subject to a full Business Case application process should more funding become available to the LEP and the Phase 2 scheme can be shortlisted in readiness for delivery in financial year 2019/2020.
- 2.8 Further detail on the delivery of Phase 2 will evolve over time and whilst the College are confident in being able to deliver both phases of the project, the immediate focus is on the early delivery of Phase 1.

3.0 KEY ISSUES

- 3.1 A number of queries and issues were identified as part of the Due Diligence process, which have been subject to detailed discussion with the College and have primarily been resolved. These issues are as follows:

- GLLEP funding – it is recognised that the allocated amount for this project is £1.8m and GLLEP are being requested to increase this in total to £2.3m, incorporating a £200,000 from unallocated Growth Deal Programme funding and the repurposing of £300,000 from the Scunthorpe town centre scheme. At this time, if the full amount of £2.3m is not forthcoming from GLLEP, the project will be delayed whilst the applicant seeks to identify other sources of funding to make up this shortfall.

The College have confirmed that this is likely to be difficult based on the current match funding arrangements and the delay could therefore be indeterminate, with the biggest risk that the Council are not prepared to hold a vacant building and will seek to sell this to other interested parties who have expressed an interest to acquire the building.

- Updated timescales were required in relation to decisions being made to secure the required match funding for the project. The College have confirmed that all match funding has been secured, with the exception of the GLLEP funding. However; it is noted that final confirmation from North Lincolnshire Council as to the full amount being made available via prudential borrowing is awaited. The applicant advises that the decision on the loan from the Council will be forthcoming in January 2019.
- Agreement for lease and lease of the civic building – it was not clear whether the agreement for lease and lease would be for the entire building at the outset of the scheme or whether the lease would come into effect through phasing of the project. The applicant has confirmed that the agreement for lease and lease is for the entire building which will be in place upon entering into the lease documents.
- Copies of the principle Heads of Terms for the agreement for lease and lease were requested along with a clarification as to the rental being charged for the building. The Council subsequently clarified this and it will be for an initial rental of £20,000 per annum which will be index linked subject to re-gearing to market rent at a frequency to be agreed.

Given that the College are now seeking a break clause to be incorporated within the lease, it is recommended that a copy of the agreed and final Heads of Terms for the lease of the building be provided to GLLEP as part of final clarification.

- Queries were raised in relation to the potential risk that Phase 1 is completed and that Phase 2 stalls due to lack of funding. The College have confirmed that the Phase 2 elements to be delivered within the building will either be delayed and in the intervening period other temporary users secured for the building, or certain areas of the building in the poorest condition and most difficult to use, will simply be closed off until funding can be secured.
- Outputs – the outputs table had not been properly completed within the Business Case and was subsequently provided by way of separate email.
- Approval to the scheme by the Board of Governors and Strategic Partnership Group in December 2018. In December both the College Board of Governors and Strategic Partnership Group met and specified that there were a number of conditions which the College were required to satisfy prior to final approval being given by the Board to proceed with the project. These matters are:
 - Concern was raised by the Governors in relation to the condition of the building and particularly ongoing maintenance and repair which could represent a significant cost to the College. The Board stated that these circumstances should either be reflected in the rental being charged, maintenance provisions in the lease or that the Council undertake works of repair in advance of the College undertaking their scheme. In this regard a report was to be provided in relation to the condition of the building and immediate liabilities identified requested to be addressed by the Council accordingly.

- During discussions with the College on 21st December 2018, it was subsequently confirmed that a condition report had already been produced for the building which identified that areas of the roof would require repair along with other minor repairs to the external fabric. The College also confirm that the Council have agreed to undertake these repairs and this will be co-ordinated alongside the scheme of refurbishment that will be undertaken to the building as part of Phase 1.

3.2 Heads of Terms for the funding with North Lincolnshire Council were not in place at the 21st December 2018 and thus as referred to earlier, a copy of these terms are to be provided as soon as available early in January 2019.

3.3 There should be no other issues required to be resolved prior to the project progressing to delivery stage.

4.0 STRATEGIC FIT

4.1 The project specifically meets and supports a number of strategies which are identified as follows:

- i. The Skills Capital Investment Fund which was approved by GLLEP in February 2018 which is a programme established to provide funding to universities and further education Colleges in order to address the skills gap identified by businesses, that causes barriers to growth within industry within Lincolnshire.

The TBSIH project clearly fits the umbrella programme in terms of the educational courses and skills programmes that are intended to be provided.

- ii. GLLEP Strategic Economic Plan (SEP) supports the renaissance of the Humber economy within North Lincolnshire, which is providing new opportunities through becoming the UK's energy estuary. Major inward investments attracted to the area are creating demand for the manufacture, assembly, installation and maintenance of off shore wind turbines and this in term requires a skilled workforce in order to meet employers demands.
- iii. ESIF strategy. The project supports a number of key aims within this strategy, particularly in terms of providing a suitably skilled labour force to meet the forecast 286,000 job vacancies that will be required within the North Lincolnshire economy.
- iv. North Lincolnshire Council Economic Strategy. The project supports this strategy through providing an expanded educational and skills facility within North Lincolnshire and as part of the new university campus
- v. The scheme also accords with the University of Lincoln and the university campus North Lincolnshire strategy for Scunthorpe and the surrounding area.

4.2 On this basis the project is considered to have a strong strategic fit.

5.0 MARKET ASSESSMENT

- 5.1 The need for a skills capital investment fund has been established previously by GLEP working with local authority partners, businesses and further education institutions including North Lincolnshire Council, North Lindsey College and the University of Lincoln.
- 5.2 The Skills Capital Fund is therefore seeking to upskill its residents to enable sectoral growth and diversification in key sectors and to respond to those concerns raised by business at the lack of skills within the employment markets which is currently a significant barrier to sustainability and growth.
- 5.3 The Business Case submitted for this project has also identified that North Lincolnshire has the potential to achieve significant economic growth and increase in GVA per head of population; however requires skills and jobs to be provided of a higher level and to provide full employment for those of working age.
- 5.4 There is an identified shortage of skills at level 3 and above as a consequence of automation in key sectors. The need is therefore for a skills escalator across the sectors to allow a squeeze up in a proactive way rather than to accept the squeeze down to lower level occupations.
- 5.5 North Lincolnshire is also heavily dependent upon its engineering manufacturing base with 21.4% of employment opportunities being reliant on this sector. Construction employment is also important to the area with 3% more than national average employed within this sector. The vast majority of these employment opportunities are skilled and the area currently has less than 8% of its population qualified to L3 and 9% at L4, meaning that an identified 8,352 people need to achieve a L3 qualification and 9,396 an L4 qualification in order to meet the requirements of the sectors.
- 5.6 Therefore, based upon the specific statistics for the area, the need for this project by the employment market has been properly demonstrated.

6.0 DEVELOPMENT APPRAISAL

- 6.1 A traditional development appraisal has not been undertaken for this project given that the scheme will be acquired by way of a long leasehold by the College and occupied for an educational facility and will not be subject to resale or occupation by traditional market uses.
- 6.2 For the purposes of this Due Diligence however an assessment of the key components of the project has been undertaken which is briefly summarised as follows:
 - i. Value of the building:

The College have confirmed that the market value of the building has been estimated by the Council to be in the region of £375,000 in its existing condition assuming use would be for offices. We have not requested further information in relation to the freehold value of the building given that this is

subject to a long leasehold agreement with the College for occupation and use. The market value of the freehold of the building has been provided as this is deemed to be North Lincolnshire Council's investment into the project. We have however discounted this given that the College will be paying a rental for the building and therefore this is not a financial contribution made by the Council to the project given that it will be recovering this investment during the life of the lease.

We are aware however that the building is to be leased to the College for an initial rent of £20,000 and given that the building extends to 2,350 per sq m, this equates to a rental of circa £8.51 per sq m. We are aware from market evidence provided as part of the Scunthorpe town centre scheme that rentals for secondary office accommodation are in the region of £64 per sq m and therefore the disposal of the building by way of long lease to the College may therefore be at a value less than it could realise if the building were to be disposed of on the open market.

The rental being charged should however reflect the condition of the building and the significant works that the College will undertake which will ultimately increase the buildings capital value, which may be why a lower rental has been charged.

As GLLEP funding is not being sought for the rental payment under the terms of the lease, this matter has not been fully considered as part of this Due Diligence and we are not requesting any valuation information in this regard.

ii. Refurbishment Cost:

A specification and cost plan in the region of £6.9 million has been provided by RLB, which along with all professional and other fees support total costs for bringing the building back into use for Phase 1 as an educational facility.

Fusion Building Surveyors have undertaken a high level review of the costs within the time permitted and have stated that costs are considered realistic and reasonable for the scheme at this time.

It is recommended however that a copy of the lowest tender for the scheme be provided for information to GLLEP to demonstrate that the scheme can be delivered in accordance with the level of assumed refurbishment costs assessed at this time for the building.

iii. Market Value for the Completed Scheme:

A review of values likely to be generated for the completed building have not been undertaken on the basis that this will be an educational facility and therefore there will not be any charges made specifically for the provision of skills based learning and educational courses. Whilst the College may levy some tuition fees, this will be in accordance with governing provisions for education institutions in this regard and is not subject to open market testing.

7.0 DELIVERABILITY AND PROGRAMME

7.1 The deliverability of this project is dependent upon a number of key factors which are noted as follows:

- i. Agreement for lease being in place to enable the lease to take effect once the refurbishment works have completed. As confirmed earlier within this report the agreement for lease is currently being finalised between the parties, with negotiations to be completed by January 2019. Recommendations are for the agreement for lease are provided accordingly.
- ii. Planning permission – this has been applied for and is pending determination along with listed building consent by North Lincolnshire Council. It is not anticipated there will be any issues with securing the required approval; however as a condition of funding it is recommended that a copy of the planning approval be provided prior to drawdown of any funding.
- iii. Match funding being secured. The College have confirmed that all match funding has been secured with the exception being the sum required from GLLEP. We note however that the exact amount from North Lincolnshire Council and the Colleges banking facility is yet to be finally resolved with final arrangements due to be put in place in January 2019. It is therefore a condition of funding that the College confirm the final funding package that is in place to enable deliverability of the scheme.
- iv. Repair works to be undertaken by North Lincolnshire Council – the College have advised that North Lincolnshire Council have agreed to undertake repair works to the roof of the civic building along with some minor works to the building fabric. Further information is required to be provided in relation to these works and programme for delivery.
- v. In terms of programme for delivery, the College have advised that the outstanding issues relating to the lease and funding package will be resolved in January 2019, with planning permission to be granted in March 2019.
- vi. The procurement of a contractor on a design and build basis for the works is intended to commence in January 2019 with a contract to be awarded in March 2019 to coincide with planning permission being granted.
- vii. This will enable a start on site to be achieved by April 2019 with the Phase 1 works completing by September 2019 to allow commencement of the Colleges core activities within the building in September 2019.
- viii. Whilst the overall programme for delivery is considered to be a little tight in terms of critical path for delivery, providing that there is no slippage with the programme in terms of resolving the funding package and securing planning permission, this should allow the works to be procured to enable commencement on site in accordance with the current proposal, with the critical date being practical completion in September 2019 for commencement of the Colleges activities within the building.

8.0 MECHANISM FOR INVESTMENT, STATE AID AND LEGAL COMPLIANCE

- 8.1 Independent state aid advice has been provided by Counsel on behalf of North Lincolnshire College to assess whether the funding from GLLEP for this scheme amounts to notifiable state aid under Article 107 (1) of the Treaty on the Functioning of the European Union (TFEU).
- 8.2 The state aid advice confirms that the proposed grant from GLLEP is not considered to be notifiable state aid, providing that the primary activity to be undertaken within the scheme is the delivery of wholly or predominantly publically funded foundation degrees, post graduate and apprenticeship courses to students aged 16+, which coincides entirely with the activities proposed by the College.
- 8.3 In addition, whilst for profit provision of short courses may be offered to businesses as part of the Colleges activities, providing that these remain ancillary to the primary activity of education, in that these courses account for no more than 20% of TBSIH's annual activity then this does not constitute notifiable state aid.
- 8.4 The state aid advice concludes that individual students undertaking degree courses, apprenticeships or further education are not deemed to be undertakings for the purpose of Article 107 (1) TFEU as they do not derive any economic benefit from the funding to be provided by GLLEP and this does not constitute state aid.
- 8.5 In terms of any local businesses utilising the facilities provided at TBSIH, whilst these may be deemed to be undertaking within the meaning of Article 107 (1) TFEU, as these local businesses will be charged a market rate for use of relevant facilities, they also will not receive any economic advantage flowing from the funding to be provided by GLLEP.
- 8.6 Based upon this advice received therefore there were no other identifiable issues raised in relation to state aid. This is however clearly subject to GLLEP's accountable body being satisfied in this regard.

9.0 PROCUREMENT

- 9.1 The College has a procurement function that will manage all procurement activity which is in line with public procurement regulations 2015 and embedded in the College's own policy.
- 9.2 The College has significant experience of managing public procurement projects through a number of recent capital schemes, most recently being through the £10m ETC project.
- 9.3 The College is working directly with North Lincolnshire Council on the basis that they are freehold owners of the building and will become the College's landlord to ensure that the procurement strategy across all areas of the scheme including ICT, FF&E are procured and/or called off from appropriate frameworks or other pre-existing accepted and compliant procurement arrangements.

9.4 In terms of the D&B contractor appointment, it is proposed that the procurement will be via North Lincolnshire Council's construction framework with the design team to be novated at the end of RIBA design stage 3 and implemented by way of a single stage tender.

9.5 No issues therefore have been identified with the procurement process; however it is recommended that a copy of the lowest tender for the scheme along with the report on tenders be provided to GLLEP for information and updated once the procurement process has been completed.

10.0 OUTPUTS AND VALUE FOR MONEY

10.1 The outputs deliverable by this project are identified in the table below:

	2017/18	2018/19	2019/20	2020/21	2021/22	Future Years	Total
i) Core Outputs (Strategic Economic Plan)							
Public Investment Leveraged (£) *A		375,000					375,000
Private Sector Investment Leveraged (£) *B		700,000	1,300,000				2,000,000
Additional investment leveraged *C North Lincolnshire College loan							2,491,753
ii) Local Strategic Outputs							
Commercial floorspace refurbished/constructed and occupied (sqm)		2,350					2,350
Number of businesses assisted to improve performance			10	15	25		50
Number of learners supported		250	483	550		600	1883
Number of new businesses created		3	5	5	20		33
GVA Uplift						11,000,000	11,000,000
Number of new curriculum/training courses		12	16	24	30	34	116

10.2 The analysis of the outputs and associated value for money is represented as follows:

- i. Public investment leveraged at £375,000 – this output has been excluded as North Lincolnshire Council are not gifting the building and are to charge a rental which will be subject to review to market value and subject to increases in accordance with the RPI between rent reviews. Therefore the Council will receive a financial return for the use of their asset and they are not therefore making a financial contribution in this regard.
- ii. Private sector investment leveraged at £2m – this equates to a leverage ratio of 1:0.87 which is below output benchmarks of 1:2. However it is noted that the College will be seeking other sources of funding either through the Institute of Technology or through Prudential Borrowing provided by the

Council which will have to be repaid, which will be subject to top up with additional College funds in the event that there is a shortfall in overall match funding required. Therefore the private sector investment is better considered as part of total investment leveraged into the scheme.

- iii. Additional investment leveraged £2,491,753 – this equates to a leverage ratio of 1:1.08 which is again less than standard industry benchmarks of 1:2.

However if the additional leverage is added to the private sector investment the total ratio increases to 1:1.9 which is just under the value for money benchmark for leverage of 1:2.

- iv. Commercial floor space refurbished at 2,350 sq m – equates to a cost of £979 per sq m. This is in excess of the standard value for money benchmark; however it is acknowledged that this relates to the refurbishment of a historic listed building which is more expensive to convert than it would be to deliver a straight forward new build.
- v. Number of businesses assisted to improve performance at 50 – this equates to £46,000 per business which is considered to be reasonable value for money.
- vi. Number of learners supported at 1,883 – equating to £1,221 per learner and is good value for money.
- vii. Number of new businesses created at 33 – equates to £69,700 per business which is considered to be low value for money; however is noted this is not a primary output delivered by this project and is acceptable being more ancillary.
- viii. GVA uplift at £11m is considered to be good value for money although is noted is unlikely to be deliverable until future years beyond 2022 given the time that it takes to upskill the resident population and for this to be translated into securing higher skilled jobs.
- ix. Number of new curriculum/training courses at 116 – this equates to £19,827 per course and is considered to be good value for money.

- 10.3 It is also noted that there are a number of other outputs and benefits that will be deliverable by this project stemming from the establishment of the University Campus in Scunthorpe and preserving the sustainability of a key historic asset. Whilst the benefits have not been monetarised they have the potential to make an important impact in Scunthorpe and the wider North Lincolnshire area.

11.0 MILESTONES

- 11.1 An indicative programme has been prepared for the delivery of this project; however following some discussions with the College as part of this Due Diligence Process this programme is now likely to vary slightly.

11.2 It is therefore considered that the following milestones are appropriate for the delivery of this project which are summarised as follows:

- December 2018 – planning application submitted. This has been achieved.
- January 2019 – agreement to lease engrossed with the Council.
- January 2019 – match funding package finalised.
- January 2019 – the procurement process to secure a contractor commenced.
- March 2019 – planning permission secured.
- March 2019 – design and build contract awarded.
- April 2018 – works commence on site.
- September 2019 – practical completion of the works.
- September 2019 – commencement of educational and training activities at the refurbished civic building.

11.3 As referred earlier this programme is considered to be tight in terms of being achievable and therefore a condition of funding is that the College provide an updated programme for delivery of the scheme once the outstanding issues to be resolved in January 2019 have completed.

12.0 RISK ASSESSMENT

12.1 The identification and assessment of risk associated with this project is detailed in the table below:

RISK	IMPACT (Low/ Medium /High)	PROBABILITY (Low/ Medium /High)	MITIGATION MEASURES	PRE CONTRACT / PRE DRAWDOWN CONDITIONS
Agreement for lease/lease not agreed	High	Low	A copy of the finalised Heads of Terms for the agreement for lease and lease to be provided. The principle terms have been agreed between the parties and overall therefore there should be a low risk.	Yes - to be a pre-contract condition
Match funding package with the Council/IOT is unresolved	High	Low	Negotiations are at an advanced stage in terms of the overall level of funding likely to come forward from North Lincolnshire Council through a prudential borrowing. The IOT funding has now been removed from Phase 1 and proposed for Phase 2 so there is no dependency on this. In the event of any shortfall from funding from the Council, the College have confirmed that their lending facility with the bank will make up any shortfall in funding.	Yes – pre contract.

Planning permission refused	High	Low	The planning authority have been consulted on scheme proposals thus far and the application is not considered to be contentious.	Yes – pre drawdown of funding.
Tender process returns costs higher than anticipated	Medium	Medium	There will be the ability to value engineer the scheme with the contractor once tenders are returned and to award the contract on a fixed price basis. In addition there will be contingency provisions within the contract to provide for any unforeseen issues arising.	The College to be required to meet the costs of any contract increase/overspend and to be confirmed pre drawdown of funding.
Slippage with the construction programme beyond September 2019	High	Medium	The contract to be let on a fixed programme with a critical date for practical completion September 2019. As the contract is to be let over the Spring and Summer months it is likely that there will be less issues relating to inclement weather and as the majority of the works are internal configuration, the programme should be achievable. A worst case scenario will be that some areas of the building may not be available in the event that the construction programme slips.	To be monitored by the College and GLLEP updated accordingly.
Lack of take up of education and training courses on offer.	High	Low	There has been extensive research undertaken in relation to the skills gap within North Lincolnshire and the wider Lincolnshire area and based upon the issues that are prevalent within this location, it is highly unlikely that there would be a lack of take up once the scheme has completed. The linkages with various other educational institutions and employers within the locality who are supportive of the project and likely to seek to participate in activities that evidence indicates that the new College facility is likely to be subject to significant use upon its opening.	To be monitored by the College and GLLEP updated accordingly.

No other risks have been identified at this time; however should any additional unforeseen risks be identified these will need to be reported to GLLEP and subject to assessment and mitigation.

13.0 CONDITIONS AND TERMS FOR THE FUNDING AGREEMENT

- 13.1 The following conditions have been identified to which any funding approval is subject to. These are identified as follows:
- i. A copy of the finalised Heads of Terms for the agreement for lease and lease to be provided prior to drawdown of funding.
 - ii. Confirmation of the final match funding package to be confirmed and demonstrated by the College as a pre-contract condition.
 - iii. Confirmation of the extent of works to be undertaken by North Lincolnshire Council along with a programme for the works and overall level of investment as this may be considered as a financial contribution to the scheme by the Council.
 - iv. A copy of the planning approval and listed building consent to be provided prior to drawdown of funding.
 - v. A copy of the report on tenders and lowest tenders for the selection of the design and build contractor for the scheme.
 - vi. An up to date programme for delivery of the project.

14.0 CONCLUSIONS

- 14.1 The delivery of the TBSIH in Scunthorpe has the ability to provide necessary educational courses and training to local residents to address significant skills gaps that exist in key sectors within North Lincolnshire and the wider county.
- 14.2 The project has been based upon extensive research and feasibility and the College are working with a number of key partners in order to bring forward a highly market facing and sustainable scheme.
- 14.3 The project will also assist in establishing the North Lincolnshire College campus in Scunthorpe, which is undergoing significant regeneration in terms of the town centre project being led by North Lincolnshire Council and the combined impact of these projects has the potential to be catalytic in generating a positive step change to Scunthorpe and North Lincolnshire.
- 14.4 The project is at a relatively advanced stage with final issues to be agreed in relation to funding and the agreement for lease. With the planning application submitted and pending determination the scheme will be able to proceed to the procurement process relatively early in 2019 in readiness for the start on site in April and practical completion in September 2019.

15.0 RECOMMENDATIONS

- 15.1 It is hereby recommended that GLLEP approve Skills Capital Investment Funding for this project. It is noted that the original allocation was £1.8m and it is noted that the GLLEP board will therefore be required to consider whether they are prepared to increase the skills capital investment funding required to the £2.3m which has been sought from the College on the basis proposed.
- 15.2 It is confirmed that without the additional investment, this project will be unable to proceed in the short to medium term.



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