



GLLEP INVESTMENT BOARD

19th January 2021

Microsoft Teams

Paper 0 - Agenda

Time	Item and brief description	Lead	Access/Circulation
13:30	Welcome, Apologies, Declarations of Interest <ul style="list-style-type: none"> FOR APPROVAL - Minutes 27th November Verbal Update on Skills Capital Programme complaint 	Chair Ruth Carver	Paper 1 attached
13:40	FOR INFO Getting Building fund (GBF) Update and Annual Performance Review Requirements Report	Halina Davies, LEP	Paper 2 attached
13:55	<u>DECISION - Skills Capital Investment Programme GBF</u> <u>The GC Energy Centre; Engineering and Construction - Grantham College</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £1,597,578 	Halina Davies, LEP	Papers 3 and 3.1 Attached
14:10	<u>DECISION - Skills Capital Investment Programme GBF</u> <u>Lincolnshire Institute of Technology (Holbeach Hub) - University of Lincoln</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £1,117,350 	Halina Davies, LEP	Papers 4 and 4.1 Attached
14:25	<u>DECISION - Skills Capital Investment Programme GBF</u> <u>The Care CoRE (Centre of Regional Excellence for Care) - Boston College</u> <ul style="list-style-type: none"> Summary Report & Recommendations Due Diligence Report Value of Grant: £412,427 	Halina Davies, LEP	Papers 5 and 5.1 Attached
14:40	<u>DECISION Killingholme Pumping Station GBF</u> <ul style="list-style-type: none"> Verbal discussion on progress and provisional allocation Value of Grant: £4,349,891 	Halina Davies, LEP	
14:50	AOB and close of meeting	All Members	

Directors: Pat Doody, Cllr Colin Davie, Cllr Philip Jackson, Dean Fathers, Cllr Rob Waltham

Apologies: Andrew Crookham (S151 Officer)

Observers: Pete Holmes (BEIS)

Officers: Ruth Carver (GLLEP), Halina Davies (GLLEP), Linsay Hill Pritchard (Accountable Body), Sue Groves (Note Taker)

11/11/2020 GL LEP Investment Board - Conflict of Interest Table

Board Member	Project	Conflict
Cllr Rob Waltham	Killingholme Pumping Station - Verbal discussion	NLC are partners for the AMEP site

Quorum rules

A quorum shall vary dependent on fund values to be voted upon. For projects with a value under £2 million, three members of the investment committee are required. For projects with a value above £2 million, four members of the investment committee are required. In each case, these require at least one Private Sector Director and one Non-Private Sector Director



LEP INVESTMENT BOARD

27th November 2020

Via MS Teams

Draft Minutes

Present:

Board Directors: Pat Doody - Chair, Cllr Colin Davie (LCC), Cllr Philip Jackson (NELC), Chris Baron (Non-Exec Director),

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

Observers: Pete Holmes (BEIS), Jo Dexter (BEIS), Andrew Crookham (Accountable Body & S151 Officer)

Apologies: Dean Fathers (Health), Cllr Rob Waltham (NLC)

Guests: Rachel Lister (Paper 3) , Russell Copley, Michelle Davis (Paper 4)

Welcome by the Chair

Apologies and Declarations of Interest

The meeting was quorate, and proceeded.

Declarations of Interest

Cllr Colin Davie -GBF Capital Skills Fund (Paper 3)

Full declarations of interest can be found at

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

Minutes from Previous Meeting (Paper 1) -The minutes from the Investment Committee held on 11th November 2020 were accepted as a true record and agreed that they could be published as a final version.

Matters arising:

Discussion took place regarding how businesses will be affected since the announcement that Greater Lincolnshire would be in Tier 3 from 2nd December, particularly those self-employed who had not received any financial assistance.

Single Local Growth Fund Update (Paper 2, 2.1 and 2.2)

Halina Davies, Programme Manager asked the IB to note the progress made in delivery of the Growth Deal Programme and the impacts of project slippage and re-profiling since the quarter 2 claims.

The paper showed forecast targets for 2020/21 based on Q2 claims, a review of each project within the programme (Paper 2.1) and actual figures for Quarter 2 of 2020/21 as per the dashboard. The programme has seen continued success with the financial completion of projects and many of the other projects remain on track to deliver SLGF spend fully by 31 March 2021. The overall assessment on the government dashboard (Paper 2.2) shows a risk rating of Green/Amber.

It was identified on the 11th November that there is £34 million of SLGF grant still left to spend on contracted projects and that this would be funded by the last £18m tranche of SLGF from government, but also with previous freedom and flexibilities and repaid monies. The position in August for Quarter 1 claims identified 5% of our total programme grant will be spent post March 2021 and since then the profiles have changed slightly with an additional 0.55% of the total SLGF Grant being beyond March 2021. This is still within the delegated limit of maximum £10million post March 2021, which was previously agreed and still relates to the 4 projects, ie, The Bridge, Grantham Southern Relief Road, Sleaford Growth Project Phase 2 and Unlocking Rural Housing Programme. The slippage in Quarter 2 has resulted in a grant release underspend of £3 million, and a further £690K of grant has moved post March 2021, leaving £2.3m to be spent in Q3 and Q4 of the 2020/2021 financial year. Figure adjustments relate to Grantham Southern Relief Road and The Bridge.

Pipeline - It is a requirement for the LEP to publish a pipeline of schemes for Greater Lincolnshire. To date there have been two separate processes in GL - a LEP Pipeline, and SIDP. These two pipelines are being brought together as part of a combined call. The board was informed that the call was being released on Monday, 30th November. Projects will be appraised following the usual process for call analysis, however infrastructure scheme assessments will involve the SIDP working group for strategic scoring and moderation. There will be two categories:

Category A - Capital projects that can financially complete before March 2025 (short or medium term)

Category B - Capital projects that are still in development (long term) or concept stage

Closing date - 15th February 2021 with a decision expected in April and notifying outcomes in April or May.

A discussion took place on the Chancellor's announcement of £4bn funding for levelling up which is for "everyday infrastructure" in communities up to £20m, with a prospectus to be launched early in New Year, so there is a need for Greater Lincolnshire to understand where the priorities lie now and in the mid-term.

PH wanted to thank the LEP team for a good report, which contained a lot of detail and wanted to acknowledge an outstanding action on his part about the focus on outputs. At previous meetings, discussions have taken place about the realism and deliverability of output targets, particularly job targets, still seeking a policy view and wanted to reassure GLLEP that this is still in hand.

Actions:

- ❖ PH to follow up the query regarding the ERDF contract for The Bridge
- ❖ HD to review outputs for SLGF and GBF and the impact of Covid-19

Getting Building Fund - Skills Capital Investment Fund (Paper 3)

Cllr Colin Davie left the meeting for this item, and Rachel Lister, Thomas Lister joined the meeting for this item.

Five schemes were approved at the last meeting for indicative allocations and they totalled £6.67m.

Three schemes competing for the remaining balance within the fund, which scored quite similarly. Paper 3 provided the Investment Board with a comparison of the three schemes and made a recommendation based on further independent assessment as to which scheme should get approval for a provisional allocation. The available pot within the Skills Capital Fund is £1.26 m and this includes LEP fees.

After the 11 November meeting, at the board members request, milestone updates were sourced from the three projects being considered for the remaining provisional allocation and an external assessment of the impact of these updates on deliverability was carried out. There was also further comparison of the three business cases originally provided to the LEP and the three curriculum plans.

The recommendation from the Officers and the Independent Assessor was to provide an indicative allocation to Horncastle College scheme submitted by Boston College to the value of £1.26 million including fees. This is short of budget requested, and officers therefore were tasked with understanding what would be delivered with a slightly reduce allocation, and seeking additional funding for the scheme from within existing LEP Resources.

The investment board debated the report and each scheme in turn, and in particular sought advice from Rachel Lister on her report. The Board challenged on deliverability and progress made since the submission in September 2020. Milestones were debated, and there was a focus on risks that were identified in the reporting such as asbestos, and structural changes within schemes. After a lengthy discussion and debate, the Investment Board reprioritised the three schemes as follows:

Scheme	Applicant	Requested Allocation	Revised Rank
Public Sector Hub FE College, Horncastle	Boston College	£1,643,000	6 th
Greater Lincolnshire Analytics and Skills Service	Lincoln College	£1,388,092	7 th
Digital Learning & Infrastructure Project	DN Colleges Group	£816,285	8 th

Decision - All three schemes are deliverable by March 2022; however, the Public Sector Hub has made the most progress to date on its milestones since September and therefore the members of the Investment board were content to allocate the remaining allocation of £1.26 million to the Public Sector Hub project subject to due diligence and final approval by the Investment Board.

CLlr Davie returned to the meeting

Greater Lincolnshire Growth Fund - Lincoln City Football Club (Paper 4) - Michelle Davies, Greenborough Management Ltd

Greenborough are the Growth Fund advisers, and have been working with Lincoln City Football Club on a Growth Fund application since they were approached in August 2019. The scheme proposes to developing the Stacey West stand taking the capacity of this section from 1,944 to 3,400 (increasing stadium capacity from 10,253 to 11,709). This will also help increase their incoming revenue, not just through ticket sales, but through catering and retail sales. As part of the wider transformation of LCFC, they are developing a Club Hub, 3D pitches, changing rooms and developing some community facilities.

The whole project is due to cost £2.6m with £1m match funding from the Football Foundation, which has been approved, £1.4m has been underwritten by the Club itself, leaving a gap of £200k in funding, which was to be met by the Growth Fund. Before going to due diligence, LCFC have also put in a bid of £800k to the Towns Fund towards the whole project, so underwriting their own match, thus reducing their own match to £600k and still looking for further funding to reduce their match to nil.

Decision : Due diligence has been completed and recommends that the project is not approved at **this stage** as the Club has demonstrated that they have other means of funding if they secure the Towns Fund. Secondly, the view of the advisers was that there is uncertainty over future revenue forecasts, as well as, uncertainty currently on the deliverability of the outputs from the scheme

Getting Building Fund Update - Pumping Station at Killingholme

Halina Davies updated the Investment Board on the overall progress of the Getting Building fund, and in particular on the scheme at Killingholme to support a pumping station. There are still

outstanding issues concerning a triangle of land on the site and its valuation. The due diligence and therefore decision is scheduled to be considered at the next investment board in 2021.

Next Investment Board Meeting

Ad hoc Investment boards will be arranged during the forthcoming year, with meetings at least quarterly to review progress on the funding programmes.

Decision Log

Scheme	Name
Horncastle College Hub scheme to be given an indicative allocation and to proceed to the due diligence stage. £1.26 million	Halina Davies
Lincoln College and DN Colleges Group Schemes to be added to a skills capital pipeline	Halina Davies
LCFC - not to proceed with the application for Growth Fund at this stage, due to uncertainty of additional match through Towns Fund, and uncertainty of outcomes due to the suspension of matches and a key revenue source	Halina Davies - via Michelle Davies at Greenborough

Table of Actions

Action	Name	Target Date
Chase the ERDF Contract for the Bridge	Pete Holmes, CLGU	December 2020
HD to review outputs for SLGF and GBF and the impact of Covid-19	Pete Holmes, CLGU and Halina Davies, LEP	Mid Jan 2021 - report to IB
Review LEP resources and external resources to top up the skills capital fund	Halina Davies	Mid Jan 2021 - report to GLLEP Board