

## Greater Lincolnshire LEP Investment Board Draft Minutes

Thursday, 20<sup>th</sup> July 2017

<p><b>In attendance</b>  <b>Board Directors:</b> Ursula Lidbetter (Chair), Cllr Colin Davie, Cllr Rob Waltham, Cllr Ray Oxby, Chris Baron, Mark Tinsley, Richard Wills  <b>Officers:</b> Ruth Carver, Halina Davies, Cathy Jones  <b>Accountable Body:</b> Linsay Hill-Pritchard  <b>Observers:</b> Pete Holmes, Chris Duffill  LCC, Andy Gutherson – item 4  <b>Apologies:</b> Herman Kok</p>	
<b>1</b>	<p><b>Welcome and Introductions</b>  The meeting was quorate, and the Board noted the following Declarations of Interest:</p> <ul style="list-style-type: none"> <li>• Cllr Colin Davie and Richard Wills: Grantham Southern Relief Road and Sutterton Roundabout</li> <li>• FEZ Programme: Cllr Colin Davie; Richard Wills, Chris Duffill and Cllr Ray Oxby</li> <li>• Ursula Lidbetter: Lincoln Science Park, Lincoln Transport Hub</li> </ul>
<b>2</b>	<p><b>The Draft Minutes of 23<sup>rd</sup> March 2017</b> were approved and could be published. There were no matters arising from the minutes which were not covered elsewhere on the agenda.</p>
<b>3</b>	<p><b>Growth Deal Update Report</b>  HD summarised the latest position on the Growth Deal programme, noting a mistake in the first paragraph: the reference to two projects being reviewed should refer to Grantham Technology Innovation Centre and not NEP7.</p> <p>Halina highlighted the likely underspend against the target forecast of £15.7m this financial year. The usual approach of requesting further LCC offset as a solution would not be a preferred option this time, and the LEP has advised BEIS that the target is unachievable based on current project forecasts. The Board were asked to advise on the best way to relay the lower forecast amount to government and to endorse the proposed approach for reporting on projects undergoing significant change. The Board noted that:</p> <ul style="list-style-type: none"> <li>• Numerous delays result from national agencies and utilities</li> <li>• Slippage on major schemes would be better managed at government level</li> <li>• It is wise to be open early with government about anticipated slippage</li> <li>• The need to be as robust as possible about future years</li> <li>• The LEP executive look beyond the accountable body to reconcile offset</li> </ul> <p>The process for reporting on projects undergoing significant change was approved.</p>
<b>4</b>	<p><b>Grantham Southern Relief Road (GSRR) Update Report</b></p> <p>Cllr Davie left the room for this item, and the meeting.</p> <p>Andy Gutherson, LCC presented this paper on GSRR for review and comment by the Board. Due to the scale and the complexity of the scheme, there have been significant progress delays. Andy tabled a revised funding profile for the scheme indicating that a delivery programme of up to 3 years</p>

	<p>for Phase 3 may take SLGF spend 1 year beyond the end of the Growth Deal programme.</p> <p>LCC sought the views of the Board on how to better respond to issues relating to external agency driven delays/impacts, and sought assurance that the Board remains supportive. The Board had a detailed discussion of the challenges, constraints and opportunities and their implications for the scheme's delivery and timetable. They considered a range of options. They agreed their continued support for this highly strategic link to the A1 and relief road for Grantham, but requested rigorous 6 monthly monitoring to the Investment board (July and December).</p> <p>The Board further agreed to support LCC in ministerial lobbying in relation to the role of external bodies such as Highways England and Network Rail.</p> <p><b>Decision:</b></p> <ul style="list-style-type: none"> <li>• 6 monthly monitoring reports to be considered at the Investment board, on milestones and resources</li> <li>• Support in influencing national agencies</li> </ul>
5	<p><b>Sutterton Roundabout Due Diligence Report</b></p> <p>HD provided an overview of the scheme and highlighted the findings from the due diligence appraisal. The project proceeded on site at risk as of last autumn, hence is substantially complete but is still subject to due diligence and formal contracting. Mark Tinsley questioned the impact and value for money of the scheme, and after a detailed discussion, it was agreed to apply conditions to the contract.</p> <p><b>Decision:</b> The Board approved grant funding of £905,834 and agreed to progress the project to formal contracting stage, subject to the following conditions:</p> <ul style="list-style-type: none"> <li>• Provision of a full evaluation of the scheme</li> <li>• Provision of lessons learnt to be applied for future decision making</li> <li>• Evidence of expenditure and payments made during the construction process</li> <li>• Copies of all certification confirming that practical completion has been reached</li> <li>• Statement of total expenditure in relation to the scheme, to verify the amount of SLGF remains in accordance with the application made.</li> </ul> <p>Mark Tinsley abstained from the decision.</p>
6	<p><b>FEZ Programme</b></p> <ul style="list-style-type: none"> <li>• Recommendations for apportionment of GD3 allocation</li> <li>• Programme Overview</li> </ul> <p>HD explained the reasons for this allocations process and summarised how the proposals have changed since the original submissions 1 year ago. She gave a brief summary of the scoring process related to the GD3 FEZ programme and explained that the allocations proposed in the paper are indicative and still subject to due diligence.</p> <p>Members of the Board approved the recommended allocations but requested that the due diligence process should assess what the impact of a reduced allocation would be on viability and deliverability.</p> <p><b>Decision:</b>  Indicative allocation subject to due diligence to the following projects:  £3m to South Lincolnshire FEZ  £2m to Central Lincolnshire FEZ  £1.5m to Europarc FEZ</p>

<p><b>7</b></p>	<p><b>Replacement STEM scheme proposal for Grantham</b></p> <p>HD gave an overview of the proposed commissioned project and explained why officers recommend that it should be approved as a replacement scheme for the Grantham College STEM project.</p> <p>The Board were asked to approve <u>in principle</u> to transfer £2m of the £2.3m growth deal allocation to the scheme, pending results of future due diligence appraisal and a further investment Board decision based on emerging recommendations.</p> <p>The Board are also asked to agree that the £0.3m remaining be allocated to the Skills Capital Investment Fund.</p> <p>The Board welcomed the proposal to bring HE and FE together in this scheme, but were concerned to ensure that appropriate guarantees could be incorporated to protect future use.</p> <p><b>Decision:</b></p> <p>The recommendations were approved.</p>
<p><b>8</b></p>	<p><b>Invest &amp; Grow Progress Report</b></p> <p>CJ summarised progress on the Invest &amp; Grow programme for Board members to note.</p> <p>In relation to the loan to the International Bomber Command Memorial Trust, £57,001.42 interest is due on this loan to date. As the project is still raising a further £2 million for the completion of the visitor centre, we have not yet issued an invoice for the interest due to date. A further payment of £16,054.88 will be due in November 2017. Interest accrued on the loan will continue to be payable every six months thereafter until the loan and all outstanding interest has been repaid in full.</p> <p>Individual guarantees are in place in relation to the £800,000 loaned to the Trust. The Board noted that there are no guarantors for the unpaid interest, and expressed concern that interest accruing could increase the risk that the sums guaranteed may have to be repaid.</p> <p>The Board agreed to delay seeking interest payments for a further six months (to January 2018) to allow sufficient time for the Trust to complete the remainder of their fundraising for the project. However, the Board agreed to ask the Trust to formally advise their Guarantors of this situation.</p> <p><b>Decision:</b></p> <p>LEP Executive to write to the IBCMT to outline the decision to defer invoicing for the interest until January 2018, and ask that this be communicated to the Guarantors.</p>
<p><b>9</b></p>	<p><b>Any Other Business</b></p> <p>There were no items of other business.</p>