

**NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.**



## LLEP INVESTMENT PANEL

### Minutes of the Meeting

11 March 2021

#### Attendance and Apologies:

<b>Members</b>		<b>Representing</b>	
Andy Reed OBE	<b>AR</b>	LLEP Board of Directors	Chair
Emma Anderson	<b>EA</b>	LLEP Board of Directors	
Sonia Baigent	<b>SB</b>	LLEP Board of Directors	
Dr Nik Kotecha	<b>NK</b>	LLEP Board of Directors	
Ajmer Kaur Mahal	<b>AKM</b>	LLEP Board of Directors	
Neil McGhee	<b>NM</b>	LLEP Board of Directors	
Cllr Terry Richardson	<b>TR</b>	LLEP Board of Directors	
<b>Officers</b>			
Cathy Martin	<b>CM</b>	LLEP	
Stuart McAvoy	<b>SM</b>	Leicester City Council – Accountable Body	
Helen Miller	<b>HM</b>	LLEP	
Andy Rose	<b>ARo</b>	LLEP	
Colin Sharpe	<b>CS</b>	Leicester City Council – Accountable Body	
<b>Advisors</b>			
Josephine Dexter	<b>JD</b>	Cities and Local Growth Unit (CLGU)	
Jaqueline Moody	<b>JM</b>	Cities and Local Growth Unit (CLGU)	
<b>Applicants</b>			
Steven Lewis-Roberts	<b>SLR</b>	Pegasus (for the Broadnook developers)	

**Minute****Action**

<b>Minute</b>		<b>Action</b>
<b>1.</b>	<b>Welcome and Apologies</b>	
1.1	AR welcomed those present to the meeting.	
1.2	There were no Apologies for Absence.	
<b>2.</b>	<b>Declarations of Interest</b>	
2.1	EA declared that Freeths had given professional advice regarding the Broadnook development.	
<b>3.</b>	<b>Actions of Last Meetings</b>	
3.1	HM presented the latest version of the action log.	
3.2	HM noted that the previous State Aid enquires would need to be rolled forward due to the complexity of the subject.	
3.3	ARo noted a confidentiality issue relating to those expressing interest in the land at Haywoods.	
3.4	HM stated that there was a reasonable amount of provision for education relating to employability at present. A desire for further employability training was expressed by some Panel Members.	
3.5	HM noted that the call for evidence relating to Digital Skills had gone out.	
3.6	HM noted that an update on Norton would be presented at the April Board meeting.	
3.7	The Minutes of the meetings held 21 January 2021 and 1 February 2021 were confirmed as a correct record.	
<b>4.</b>	<b>Written Procedure – GBF Return</b>	
4.1	HM reminded the Panel of the Written Procedure process and stated that the GBF Written Procedure had now gone to the Government.	
<b>5.</b>	<b>Growing Places Fund – Broadnook Garden Village</b>	
5.1	ARo noted that Davidsons Development, and not Davidson Development, were the lead developers for the site.	
5.2	ARo noted with regards to loan security, work was ongoing to get the Titles clear.	
5.3	ARo noted the figures of the numbers of houses to be built on the plots.	

**Minute****Action**

5.4	ARo noted the details of the development contribution from the developer.	
5.5	It was noted that the Accountable Body would officially make the loan and hold the security.	
5.6	ARo noted that an interest rate of 5% had been secured by the developer on other finance.	
5.7	ARo noted that the LLEP would advance funding, first, with the second payment being made by the applicants.	
5.8	At this point, SLR joined the meeting.	
5.9	SLR noted that Charnwood Borough Council had issued a hybrid application, which included details of highway infrastructure and the quality of the development.	
5.10	SLR gave background on the developers of the site, noting their local focus and reputation on carbon issues.	
5.11	SLR stated that the vision for the site was a garden village to deliver high-quality accommodation and employment space.	
5.12	SLR noted that employment land would be developed at an early stage.	
5.13	SLR noted that the site would strive to have zero carbon buildings, and that infrastructure would be put in place for cycling.	
5.14	SLR noted that there would be living space for 4000-5000 people at the site, alongside a retirement village.	
5.15	SLR noted that the agreed percentage of affordable housing on the site was 17.6%, less than Charnwood Borough Council's minimum of 25%. With more proportions given to schools and a retirement village to offset the difference.	
5.16	SLR noted that the land would be sold on a phased basis, with the land value coming out in those phases. It was suggested that there could be a deferral of dividends to the landowners.	<b>ARo</b>
5.17	SLR stated that the site would be more likely to build out due to there being a single landowner and that a huge amount of details had gone into producing the hybrid application, meaning that key infrastructure deals had been designed and costed.	
5.18	SLR noted that a Design and Access Statement had been agreed with Charnwood Borough Council, with strict conditions within the Statement.	

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5.19	SLR noted that Cedars Academy was the closest secondary school, and that additional cycling infrastructure would be put in place to improve access to the school. Investment would also be provided to improve capacity at Cedars.	
5.20	SLR noted that the County Council would adopt the roads on a phased basis.	
5.21	SLR noted that High Speed Broadband would be in place for all homes on the site.	
5.22	SLR noted that no Cemetery Provision had been discussed, but that there would be significant green space retained by the applicant where there could be space for a Cemetery.	
5.23	SLR noted that the intention was to create a separate Parish Council for the community, and that Charnwood Borough Council and the three Parish Council areas covered by the land had all agreed to this.	
5.24	SLR noted that the Garden Trust would initially be run by the trustees of the developers, but that it would eventually become community run.	
5.25	SLR noted that significant areas of open space would be delivered in each stage of development.	
5.26	SLR noted that local resources would be prioritised in the development of the site.	
5.27	At this point, SLR left the meeting.	
5.28	ARo stated that the development would happen without LLEP funding, but that without it development would be much slower. It was also stated that LLEP investment would give current investors comfort and that the project fell into the GPF portfolio.	
5.29	It was requested that formal answers could be pursued to questions raised to SLR by Panel Members. ARo will prepare the response, it was also noted that panel members needed to be aware of those issues that would not be legally enforceable by the LLEP but were for the planning authority to have considered as part of the application.	<b>ARo</b>
5.30	Concerns were expressed regarding the ability to exercise security and a query was raised in relation to whether there should be a charge for the applicant to meet as this would be administratively burdensome	
5.31	CS noted that the interest rate minimum would be 5% to operate on a Market Investor Principle and that any proposed lower rate would need to be justified on that Principle.	

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5.32	CS noted that the issue of the cost to the Accountable Body of releasing multiple charges as houses/plots are sold had been raised.	
5.33	HM reinforced the view that any interest rate less than market rate would create subsidy issues which would slow down the process.	
5.34	There was discussion on how the Panel would report back to the Board on this matter. It was suggested that a document be produced which would clearly lay out the position of the Panel for the Board to approve. ARo stated that detailed legal work could likely only commence once the Board had given approval. HM noted that the item would be reported to the Board, regardless of the decision made by the Panel.	
5.35	ARo noted that the land valuation was expected at the end of March.	
5.36	It was suggested that a Heads of Terms document could be produced for the transaction, clearly laying out the intended terms. It was stated that such a document could not be brought to the Board by the time of its next meeting. There was discussion on the prioritisation of conditions within that document and what the LLEP was able to ask for.	
5.37	It was suggested that it could be made clear to applicants in the application process, what the LLEP would look favourably upon such as green infrastructure so that applicants could know in advance what the LLEP would be expecting.	
5.38	<p>It was AGREED that:</p> <ol style="list-style-type: none"> <li>1. The Panel supported the recommendations in the paper, subject to a Heads of Terms document being produced and accepted, clearly laying out the conditions of the agreement.</li> <li>2. An item be brought to a future Panel meeting to discuss how the LLEP can lay out their preferences to potential applicants.</li> </ol>	<p>HM/ARo/AR</p> <p>HM/ARo</p>
<b>6.</b>	<b>Programme Monitoring</b>	
6.1	<u>Local Growth Fund Outputs</u>	
6.1.1	CM explained the background of the data returns and gave details of what the returns meant.	
6.1.2	CM noted that the deliverables targets had not yet been met, and as expected some likely wouldn't for several years.	
6.1.3	CM noted the structure of the Programme Monitoring reporting.	
6.1.4	At this point NK left the meeting.	

<u>Minute</u>		<u>Action</u>
6.1.5	CM noted that RAG ratings were currently based on deliverability rather than outputs, but that outputs would eventually become the basis for the RAG ratings.	
6.1.6	CM noted that in contracts there was a clause that if outputs weren't met then funding could be claimed back. To date this has not been acted upon. There was a tolerance level for how far away from targets the outputs could be.	
6.1.7	HM noted that the outputs achieved for the LLEP were stronger than many other LEPs.	
6.1.8	<p>It was AGREED that:</p> <ol style="list-style-type: none"> <li>1. The recommendation in the paper be approved by the Investment Panel meaning that there would be no future requirement for the investment panel to sign of returns to Government</li> </ol>	<b>HM/CM</b>
<b>7.</b>	<b>Close of Meeting</b>	
7.1	HM noted that a new Governance Officer had been recruited and would be taking over the responsibilities of the Democratic Support Officer. HM recorded her thanks to the Democratic Support Officer.	
7.2	The meeting closed at 5.56pm.	