



Paper for Halina Davies, Partnerships and Programmes Executive Manager, Greater Lincolnshire Local Enterprise Partnership

Change request to the University Technology and Innovation Centre Grantham Grant Agreement

Author: Nicola M^cCoy-Brown, Director of Growth and Culture, South Kesteven District Council **Date:** 27 October 2021

Purpose

1. Due to an unexpected change, this paper requests a variation to the specified project direct outputs for the University Technology and Innovation Centre Grantham and to seek the Greater Lincolnshire Local Enterprise Partnership (GL LEP) Board approval to revise outputs and eliminate a repayment request.

Background

2. In February 2019, Lincolnshire County Council as the Accountable Body for grant monies provided by Central Government under the Single Local Growth Fund, awarded a £2,000,000 (£2M) allocation, approved by the GL LEP to South Kesteven District Council.
3. The aim of the project was to enable the delivery of a new, 863m² (9,288ft²) local University Technology and Innovation Centre within Grantham Town Centre. Located on a dedicated floor of a wider cinema and retail complex, the Centre would deliver higher and degree level apprenticeships, diplomas and short courses whilst also being a local contact point for businesses.
4. The total project costs were £6,712,529 for which the GL LEP contribution equated to nearly 30%. The original capital match of £4,712,529, plus additional match funding expended to complete the scheme came from South Kesteven District Council. The direct outputs were as follows:

Core Outputs	2017/18	2018/19	2019/20	2020/21	Future years	Total	Claimed as at Oct 2021
Public Investment Leveraged (£)	£514,516	£2,575,643	£1,622,370	0		£4,712,529	Fully claimed with additional match
No. of businesses assisted to improve performance			10	10	10	30	No claims made
No. of learners supported			40	60	240	340	15 claimed



5. It was expected the University of Lincoln would take a lease on the education space to deliver the courses that would focus on addressing the skills needed within the GL LEP's Key Priority Sectors: manufacturing, agri-food, visitor economy, low carbon and health and care, as well as, providing courses to meet the continuing employer needs for employees to possess strong soft skills such as leadership, management and communication. However, the University were unwilling from the outset to take on a lease pending proof of concept.
6. As is often the case with large development projects, South Kesteven District Council worked with contractors to a slightly revised timeline for the works. From an original centre opening time of Autumn 2019, this was revised to Spring 2020.
7. This delay in opening meant the inaugural course being delivered by the University of Lincoln to meet the needs of local businesses was initially held at Grantham's Jubilee Church Life Centre.
8. However, on 23 March 2020, the UK Prime Minister told the country that people 'must' stay at home and certain businesses must close. This meant the inaugural course moved online, whilst the University adapted to lockdown and the consequences for them, and the cohort given the entire country was affected by various measures. The subsequent programme of courses ceased, and the building did not open.

Current situation

9. To date, South Kesteven District Council has fully claimed for the public investment leveraged (i.e. £4,712,529) and for 15 learners supported (i.e. 15% of the learners expected by 2020/21 and 4.41% of the total required). No claims have been made for the number of businesses assisted to improve performance. The severity of the financial pressure faced by the council means it is not possible to return some or all the £2M awarded. To do so would result in having to cut large swathes of council services.
10. The University of Lincoln has now confirmed that whilst committed to supporting the learning agenda in Grantham, in the post advent of COVID-19 context, they do not require the current empty space and would not be willing to take a lease for the Centre. The key point being that the last 20 months have demonstrated that blended learning models, with less use of physical space, can and do work and this is the most appropriate approach for the University moving forward.
11. The building remains unoccupied, and the programme of courses have not been revived. Nonetheless, as detailed within the Corporate Plan (2020-2023), South Kesteven District Council are committed to working with education providers to increase opportunities for local learning and apprenticeships in the district. Both the University of Lincoln and South Kesteven District remains committed to exploring other short course development and non-accredited courses. This is in addition to promoting access to the suite of University business engagement interventions, aligned to the District's regeneration strategy and the requirements of the wider south Lincolnshire economy.



Issues

12. As we know, the world of business has changed dramatically since the global pandemic began. Workplace learning has been one of the hardest hit areas since the introduction of social distancing and lockdown.
13. Learning and development (L&D) plans due to commence were postponed or cancelled. This presented a dire scenario for the District's businesses. Much of this postponement came down to both physical and financial capacity, given L&D is a disposable aspect of company culture.
14. When it comes to the changing business world, one of the most common by-products is undoubtedly a greater reliance on technology and virtual platforms. L&D is unlikely to deviate from this trend.
15. As the GL LEP have widely reported, it remains to be seen what the long-term impact of the pandemic will be. A shift to working, learning and engaging in commerce remotely on digital platforms is being seen across many sectors.
16. With remote working having become part of the new normal, many organisations are not planning to return to an office space for the foreseeable future. The demand for digital and remote learning solutions has been turbo-charged, with rapid increases in the use of webinars, virtual classrooms and online learning modules. The Chartered Institute of Personnel and Development (CIPD) [People Profession Survey 2020](#) has shown that learning is no longer receiving immediate attention within businesses, with learning and development taking a backseat for many during the COVID-19 pandemic.
17. In April 2021, the GLLEP confirmed a funding allocation from the Get Building Fund of £1,597,578 for an engineering and construction skills facility at Grantham College. With a population of 44,580 (ONS, 2016) in Grantham, and the COVID-19 crisis having forced education systems worldwide to find alternatives to face-to-face instruction, the future of the University centre is extremely compromised. Consequently, demand for office space in Grantham is very limited and it is considered highly unlikely that there would be educational takers for the space.

Proposal

18. As national policy continues to evolve quickly, the GLLEP adapted and developed a Covid recovery plan (Protecting, Progressing, Prospering: [Greater Lincolnshire Economic Plan for Growth](#)) to work alongside the new UK Shared Prosperity Fund. Emphasis, rightly so, has switched to ensuring actions taken forward have maximum impact on the economy, businesses and residents of Greater Lincolnshire.
19. South Kesteven District Council are in lockstep with the GLLEP and agree that the harsher commercial environment is forcing businesses to adapt to survive – and agrees that flexible working, where both the time and location of work has become much less fixed, is resulting in new moving and working patterns. The Council is eager to support the future-proofing of Greater Lincolnshire's economy, creating a productive, resilient and low-carbon economic base.



20. Given the intended outputs for this Project are unlikely to materialise within the foreseeable future, subject to the GLLEP Board's approval, it is proposed that there is a wholesale adjustment of the direct outputs and a revision to the timeline. In the meantime, the Council will review the available space to identify a different use (which could include a commercial end user or the Council).
21. The recent discretionary grants, which the Council have designed, developed a call for projects, provides the ideal opportunity for the GLLEP to benefit from businesses supported instead.

Specific change request

22. To amend the direct outputs as follows:

Core Outputs	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Public Investment Leveraged (£)	0	£3,208,506.48	£1,558,670.13	£275,957.09		£5,043,133.70
No. of businesses assisted to improve performance	0	0	0	247	108	355
No. of learners supported	0	0	0	15	0	15

Next steps

23. Despite these proposed changes, the project expects to deliver the same level of results as initially included in the approved project. A total of 370 beneficiaries will be supported by the project.
24. The proposed changes are to the public investment leverage due to an increased cost of public realm and to the remaining outputs, not the quantity. This will result in earlier than anticipated delivery (i.e. there will be a stipulated project closure date, rather than the perpetual contract currently in place).
25. As a result of the current phases of business recovery and increase in resilience activity, the proposed revised outputs are intended to be more appropriate and measured within the current economic climate.
26. The business and learning environment have evolved post pandemic and the requirement for learning facilities, physical course delivery and competing local providers have greatly impaired the business case for the University Centre.



27. The next steps are to receive GL LEP Board approval for the amendments to the project direct outputs.

RECOMMENDATIONS

28. It is recommended that the GL LEP Board receive this request as soon as possible to:

- a) Agree to both the claiming and the delivery of revised project outputs.**
- b) Agree there are no implications to the £2M GL LEP funding and therefore eliminate any request for repayment**