



Operational Officer Decision Record

Where the decision has a financial value of between £100k - £350k and does not have a **significant** impact on two or more wards

1. Subject and details of the matter (to include reasons for the decision and detail of any previous cabinet decision)

The St James House development was one of the six Grimsby town centre projects which formed Grimsby's Town Fund programme. E-factor Group Limited (E-Factor) led on the development to provide quality business space for offices, retail & leisure space, workshops, and other business led events, attracting footfall into the town centre.

E-factor purchased the building in November 2022 and immediately moved to undertake asbestos and guano removal required to allow full access to the building and for a planning application to be finalised. Planning permission was granted in October 2023.

A competitive tender exercise was issued in 2023, five organisations submitted returns. Given delays in acquiring the building, the well documented excessive pandemic and geopolitically driven construction inflation had taken hold, and all tenders were over budget.

Following further analysis, the preferred contractors worked in some significant detail with the architects and other members of the professional team to value engineer the whole scheme and look at 'do less' options.

The resultant position was a phased scheme with the initial works comprising all the external works, the infill of the arches and creation of units on the ground floor and partial development of the second floor. The development was therefore split into two phases, Phase 1A and 1B. The works to the first floor, remaining works to the second floor, and a longer-term aspiration for works to the roof to create a further suite and terrace, would all be subject to securing future funding.

Lincolnshire County Council (LCC) engaged with North & North East Lincolnshire Councils in December 2025 to discuss the allocation of uncommitted reserves following the closure of the Local Enterprise partnership including £317,000 of capital funding for each upper-tier authority which was ring-fenced to business support infrastructure, to be spent on delivery ready projects. A review of the NELC project pipeline was completed and the option to complete St James House 1st floor was identified as an option that aligned with the aims of the fund, the strategy set by Grimsby Master Plan, could provide evidence of market failure preventing other funding options, and the deliverability criteria. The option was discussed with LCC, who confirmed they agreed the scheme would meet the funding criteria. LCC then confirmed on 23 March 2026 that their S151 had approved the distribution of funds to the local authorities, based on the proposal submitted.

In light of the prospect of this funding support, the E-factor Board were keen to ensure the project was completed by September 2026, in accordance with plans to make the building financially sustainable. The Board discussed the options available at length and unanimously agreed that they would be happy for the work to commence at risk with the understanding that the LEP funding was a strong possibility.

The total cost of the works is £480,000 and the proposal is for £220,000 of the £317,000 to support the project. The gap will be funded from E-Factors reserves.

It has been made clear that the initial amount of up to £220,000 for E-Factor to complete works to the 1st floor of St James House is subject to confirming market failure to our satisfaction, subsidy control compliance and legal contracting. The remainder will be considered for further business support infrastructure improvements in due course.

2. Decision being taken

That the Director of Environment, Economy and Infrastructure, in consultation with the Leader of the Council and Portfolio Holder for Economy, Regeneration, Devolution and Skills awards eFactor up to £220,000 to facilitate the final works to St James House that would see a new conference, seminar and meeting room facility delivered in Grimsby town centre.

3. Anticipated outcome(s)/benefits

The project supports the objectives and opportunities identified in the Grimsby Masterplan, Local Plan and Economic Strategy.

4. Details of any alternative options considered and rejected by the officer when making the decision

N/A

5. Background documents considered (web link to be included or copies of documents for publishing)

None

6. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons.

No

7. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

8. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is an operational decision. Any award must comply with the Subsidy Control Act 2022 and be supported by an appropriate record of the market failure/public benefit case. No payment should be made until the Council has received LCC's formal offer/conditions (as applicable) and an appropriate agreement

has been completed. Legal colleagues will support as appropriate. **9. Section 151**

Officer Comments (Deputy S151 Officer or nominee)

The proposed award of up to £220,000 can be met from the uncommitted legacy LEP capital funding anticipated to be allocated to the Council by Lincolnshire County Council, which has been confirmed in principle. Subject to receipt of the formal offer letter and acceptance of any associated conditions, the funding can be incorporated within the Council's capital programme without requirement for any additional borrowing.

The proposal represents a defined, one-off capital contribution and is consistent with the original ring-fencing of the LEP legacy funding for business support infrastructure. The residual project costs will be met by E-Factor from its own reserves, and there is no ongoing revenue commitment or subsidy proposed from the Council.

Finalisation of the funding arrangement must be subject to compliance with subsidy control requirements and appropriate legal and contractual documentation being put in place prior to release of any funds.

Provided these conditions are satisfied, and the external funding is formally secured, the proposal is considered affordable, prudent and deliverable within the Council's current financial framework.

10. Human Resource Comments (Head of People and Culture or nominee)

There are no Human Resources Implications

11. Risk Assessment (in accordance with the Report Writing Guide)

There is a risk that if the Grant Determination Letter is not signed and funding offer accepted, the funding allocated will be withdrawn. This would result in the project being halted.

12. If the decision links to a previous one taken by Cabinet, has the Cabinet Tracker been updated?

N/A

13. Decision Maker(s):

Name: Carolina Borgstrom

Title: Director of Environment,
Economy & Infrastructure

Signed: REDACTED

Dated: 01/05/2026

**14. Consultation carried out with
Portfolio Holder(s):**

Name: Cllr Philip Jackson

Title: Leader of the Council and
Portfolio Holder for Economy,
Regeneration, Devolution and Skills

Signed: REDACTED

Dated: 1st May 2026