

Present: Leo- Scott Smith (*in the Chair*), Angela Andrews (City of Lincoln Council), Jacqui Bunce (NHS Lincolnshire), Lord Cormack (House of Lords), Councillor Richard Davies (Lincolnshire County Council), Charlotte Goy (Visit Lincoln), Gary Headland (Lincoln College), Marc Jones (Lincolnshire Police and Crime Commissioner), Ursula Lidbetter (Lincolnshire Cooperative Society), Karl McCartney (Member of Parliament for Lincoln), Councillor Ric Metcalfe (City of Lincoln Council), Peter Neil (Bishop Grosseteste University), Liam Scully (Lincoln City Football Club), Edward Strange (Brewin Dolphin), Nick Warboys (Longhurst Group), and Nicole Hilton (Lincolnshire County Council-substitute)

Also in Attendance: Kate Ellis (City of Lincoln Council), Sarah Loftus (Lincoln BIG) and Jo Walker (City of Lincoln Council)

42. Apologies for Absence

Apologies for absence were received from Mary Stuart (University of Lincoln, Chair of Lincoln Town Deal Board), Valerie Johnson (St Marks Retail Centre), Ruth Carver (Greater Lincolnshire Local Enterprise Partnership), Andy Gutherson (Lincolnshire County Council), Caroline Killeavy (Lincolnshire YMCA), Group Captain Steve Kilvington (RAF Waddington) and Mark Speed (Siemens).

43. Vote of Thanks

A vote of thanks was led by Lord Patrick Cormack (House of Lords), to Mary Stuart who was due to leave her current post as Vice-Chancellor of the University of Lincoln. He gave thanks to her on behalf of everyone for the work she had been involved with on the Lincoln Town Deal Board. He expressed extreme gratitude for all her hard work in her role at the University which had raised its status to become internationally recognised in importance, currently named as University of the Year.

44. Minutes of Previous Meeting - 12 March 2021

RESOLVED that the minutes of the previous meeting held on 12 March 2021 be confirmed as a correct record.

45. Additional Item - Levelling Up Fund

Kate Ellis, Strategic Director of Major Developments, City of Lincoln Council gave a brief overview on the Levelling Up Fund. This represented an alternative potential funding source to breach the gap in funding to allow one or more of the additional Town Fund projects to go forward. She covered the following main points:

- The Levelling Up Fund was a sum of money amounting to £4.8 billion fund to invest in visible local infrastructure projects to drive prosperity.
- The scheme was managed jointly by the Department for Transport, HM Treasury and the Ministry of Housing, Communities and Local Government.

- It was open to all local authorities, although priority areas had been identified for funds.
- The City of Lincoln was classified as a Category 1 area for funding based on need, due to deprivation.
- There was specific involvement by Members of Parliament.
- All local authorities were able to submit at least one bid for funding.
- In addition, Lincolnshire County Council was entitled to submit a Transport bid.
- The criteria for funding was based around value for money, strategic need, ability to deliver and collaboration with partners.
- The deadline for submission of the first round of bids for funding up to £20m was 18 June 2021 with a requirement for awards to be spent by March 2024.
- The three themes were:
 - Transport
 - Regeneration and Town Centres
 - Culture and Heritage
- Local authorities could bid in one of these three areas.
- There was potential to apply for this alternative funding for projects currently identified in the Town Deal Fund.

Board members expressed caution that deadlines for the Lincoln Town Deal Board project confirmations should not be compromised by additional work involved in applying for the Levelling Up Fund.

It was suggested that the Board could proceed with all the proposed projects for the Lincoln Town Deal Programme on the assumption that some may not be delivered in order to get as many projects through as possible.

Leo Scott Smith, Chair, highlighted that there was a shortfall in funding of 20% against the original bid. This meant that either one large project or several small projects could not be delivered without further funding.

Jo Walker, Assistant Director of Growth, City of Lincoln Council suggested the option to keep some projects in at a lower level and use the Levelling Up Fund opportunity for additional match funding. It was understood that the Levelling Up Fund criteria required a minimum of 10% match funding from another source.

Kate Ellis, Strategic Director of Major Developments, City of Lincoln Council referred to the potential of phasing some elements of certain projects to enable them to be retained within the Town Deal programme, whilst seeking Levelling Up Fund to allow for further phases and to bring in additional schemes. Discussions were ongoing on this matter.

RESOLVED that the content of the verbal overview and comments made be noted.

46. Project Details and Proposed Selection Process

Jo Walker, Assistant Director of Growth, City of Lincoln Council:

- a. updated the Board in relation to project details for the Town Deal Selection Process:

- Following the last meeting of the Lincoln Town Deal Board on 17 March 2021 the heads of terms for the £19m funding awarded under the scheme was agreed by the City of Lincoln Council Executive and submitted to Government on 22 March 2021.
- The Board now had two months to confirm the final selection of projects by 22 May 2021.
- A Project Confirmation Form must be submitted for each project using the template at Annex A of the Stage 2 Guidance circulated.
- After confirming the projects and agreeing the confirmation forms, any adjustments to these projects for example, to take into account any additional match funding secured, and any other changes must be submitted on the project Adjustment Form circulated
- Once the final selection of projects had been made, each project would then need to develop a full business case for local approval prior to the draw down of funds. The timescale for this work for all projects being 12 months, with a summary document required in each case for submission to government

b. detailed the current financial position in respect of funding secured as follows:

- There was no further material funding available for the projects at this stage apart from an additional £0.6m from the Heritage Action Zone for the Central Market.
- The current portfolio of projects 'in scope' would require £23.77m Town Funding - £4.77m over the £19m allocation. This amount would either need to be sourced by way of match or projects to this value removed from the programme of 14 projects.
- Noted that no schemes were without risk and all assessed by government as a strategic fit with the programme but to enable Board to move forward, a high level assessment of risk/value and impact had been carried out on the status of each project with the following six proposed for consideration at the current stage in the process in the sum of £9.9m; considered to be a lower risk relative to the other schemes in the portfolio:

- Lincoln Connected
- Tentercroft Street
- Greyfriars
- Drill Hall
- Central Market
- Lincoln City Football Club Stadium and Community Redevelopment Project

- Alternative funding would also be explored for one or more of the remaining projects through the Levelling Up Fund.

c. requested that the Board give feedback on:

- whether or not to take all the projects forward especially if there was no match funding available; and/or
- arrange for a further independent assessment to be undertaken of the remaining projects looking at deliverability, value for money and prioritisation.

- d. highlighted that procurement of consultants to support leads with the development of business cases had been undertaken and that these consultants could be utilised for an independent assessment
- e. requested that Lincoln Town Deal Board meet again on 14 May 2021 to make the final decision on selection of projects beyond the first cohort.

The Board discussed the proposals in further detail.

Leo Scott Smith, Chair, asked whether a final deadline of 14 May 2021 would allow enough time to formulate a Levelling Up fund bid.

Kate Ellis, Strategic Director of Major Developments, City of Lincoln Council explained that there was still a competitive process on deliverability and that 14 May 2021 was the absolute latest point to make a decision. A steer was requested from the Board at this meeting as to the approach it favoured moving forward without having to make a final decision today.

(Lord Patrick Cormack, House of Lords, raised a personal interest at this stage in proceedings in relation to the Greyfriars Project as President of Heritage Lincolnshire.)

Lord Cormack, House of Lords, suggested that a further meeting on 7 May 2021 would allow more time to finalise a decision ready for the submission deadline of 22 May 2021.

Leo Scott Smith, Chair, highlighted that sufficient time had to be factored in to allow preparation of the business cases.

Jo Walker, Assistant Director of Growth, City of Lincoln Council referred to the suggested meeting date on 7 May within a difficult timescale being the day after the local elections. She suggested the Board narrowed down which projects it wished to revisit today to minimise additional work on the selection side on 14 May 2021. This would also allow officers opportunity to concentrate on a Levelling Up bid.

Ursula Lidbetter, representing Lincolnshire Co-operative Society suggested that an independent assessment of 'where we are' would help identify the projects the Board could actually deliver and a sense of which it could realistically complete.

Nick Warboys, representing Longhurst Group agreed that the six projects identified should be moved forward.

Gary Headland, representing Lincoln College agreed in principal to the six projects identified, although he had an interest in three of these. Therefore, he favoured obtaining an independent view as the most useful way forward in removing any such conflict of interest.

Jacqui Bunce, representing NHS Lincolnshire, supported an independent view being sought.

Leo Scott Smith, Chair, asked whether a bid submitted at a reduced value for 1 project could be increased at a later date should another prove to be undeliverable.

Jo Walker, Assistant Director of Growth, City of Lincoln Council confirmed that there would be an element of flexibility as all the projects were subject to a full business case. She could seek to clarify and report back.

Leo Scott Smith, Chair, noted that a third of the projects had been assessed as relatively lower risk, however the others were rated at amber-red for delivery. He queried whether there was enough time available to assess all the work involved. He moved that the lower value projects be submitted alongside the six projects identified by the Council. Funds could then be reallocated in the event that one major scheme proved to be undeliverable

Liam Scully, representing Lincoln City Football Club, emphasised that as a decision making group the Board must retain its focus on its original mandate. An independent assessment would help, however strategists within the Council had given the Board strong guidance. A balance must be retained between protecting potential conflicts of interest and making positive decisions to drive the city forward.

Gary Headland, representing Lincoln College suggested a smaller sub group of those Board members not involved in the leading projects be formed to make the final decision, similar to that used by the Local Enterprise Partnership Investment Board.

Marc Jones, Lincolnshire Police and Crime Commissioner, favoured an independent assessment be carried out in light of the fact this was public money being spent.

Jacqui Bunce, representing NHS Lincolnshire agreed that the Board should be seen to be transparent, however a smaller group to make recommendations to the Board for it to make an ultimate final decision as a whole would be useful, alongside an independent consultant agreement on ranking deliverability.

Lord Cormack, House of Lords, endorsed the list of six proposed projects moving forward which were of fundamental importance to the future of the city and county. He was happy for a smaller group to look at the remaining projects although the Board as a whole must take the final decision.

Liam Scully, representing Lincoln City Football Club, asked what process or degree of rigor and diligence had been used to arrive at the six identified projects.

Jo Walker, Assistant Director of Growth, City of Lincoln Council advised that the process had begun last year. A prioritisation exercise had been conducted by the Board in July 2020. An independent scoring mechanism was employed thereafter and results reported to the Board in September. A further series of checks was carried out by a sub group of the Board, together with a check and challenge session with government consultants. All the projects had then been assessed by government following submission of the TIP, to arrive at an award of £19m, 14 projects in scope. She emphasised that she did not want any projects to be excluded hence why match funding options were important. She gave a reassurance that at each stage each project had been looked at in detail and risks involved identified. She was prepared to commission an independent check if this was required, however, rigor had been employed at every stage of proceedings.

Ursula Lidbetter, representing Lincolnshire Co-operative Society emphasised that the Board remained the ultimate decision making body however independent expert advice would be useful in clarification of deliverability and value for money. She suggested perhaps one of the projects could be taken out of the Town Deal Fund and put into Levelling Up as an alternative funding stream.

Leo Scott Smith, Chair accepted this suggestion although the Levelling Up Fund was for large linked projects in three specific areas. Any project referred to Levelling Up should be kept as a low level project in the Town Deal Project in case this fell through.

Karl McCartney, Member of Parliament for Lincoln, urged that time here was of the essence. He advised against relying on the Levelling Up Fund for delivery as an alternative to the Lincoln Town Deal Project. It had different priorities and different members making the decisions. The Board must decide whether to go forward with all 14 projects or only some of them.

After much debate, Leo Scott Smith Chair, summarised the options discussed by the Board:

- To use the Levelling Up Fund for some projects.
- To employ an independent body to review all projects before the Board made a final decision on which projects to move forward.
- To appoint a smaller independent group within the Board of members without any conflict of interest to make the decision.

The Chair asked for a steer on how to progress in light of there being no clear direction of opinion moving forward.

Liam Scully, representing Lincoln City Football Club recommended that any Board Member with a conflict of interest should step away from the voting procedure.

Angela Andrews, Chief Executive, City of Lincoln Council advised that an independent assessment should be carried out due to the many differing views expressed by Board members. In the meantime, officers would explore Levelling Up Fund options which it was anticipated would break the deadlock.

Lord Cormack, House of Lords, formally proposed that the six identified projects having been rigorously tested should be adopted and an independent assessment of the remaining projects be voted on by those Board members without any conflicted interests.

Ursula Lidbetter, representing Lincolnshire Co-operative Society agreed that the six identified projects had already passed the test and should be prioritised.

Nick Warboys, representing Longhurst Group urged the need to submit the six projects we had ready as 'quick wins', then use a smaller working group to decide on the remaining schemes.

Leo Scott Smith, Chair highlighted that the Board was short of £5m and would need to cut several small projects or one large project. It should take a holistic view on those projects that would make the widest impact on the City, which logically he considered to be the three largest schemes.

Karl McCartney, Member of Parliament for Lincoln, agreed that the largest projects carried most merit.

Lord Cormack, House of Lords, reminded the Chair of his clear proposition to vote on the six identified projects.

Councillor Ric Metcalfe, Leader, City of Lincoln Council advised that time was of the essence. Proper rigor had been employed against the six projects identified as being at least risk and these should be progressed forward subject to a favourable vote.

County Councillor Richard Davies asked for clarification of a pecuniary interest.

Jo Walker, Assistant Director of Growth, City of Lincoln Council considered a pecuniary interest to be in existence should a Board member have a direct link to a project as lead organisation.

Lord Cormack, House of Lords, was of the opinion that his interest was personal not pecuniary. He was indeed President of Heritage Lincolnshire but had not been involved in the work on the bid for Greyfriars. He referred to his clear proposition to vote on the six identified projects.

County Councillor Richard Davies suggested that according to the definition of a pecuniary interest given, Lord Cormack did have a conflict of interest and should not take part in the vote.

(Charlotte Goy, representing Visit Lincoln arrived late to the meeting at this stage in proceedings.)

Board Members involved in putting in a sponsorship bid withdrew from the vote (Liam Scully, Gary Headland, Lord Cormack, and Councillor Richard Davies.)

A vote was taken on whether to progress with the six identified projects, which received five votes for and five votes against the proposal.

Kate Ellis, Strategic Director of Major Developments, City of Lincoln Council suggested that an independent evaluation on the projects be conducted to break the deadlock.

Leo Scott Smith, Chair supported this way forward.

Karl McCartney, Member of Parliament for Lincoln, reminded the Chair of his right to a casting vote, which he declined to accept due to the varying difference of opinion between Board Members on the right way forward.

Lord Cormack, House of Lords, requested greater clarity regarding conflicts of interest for Board Members.

Liam Scully, representing Lincoln City Football Club noted that he had been invited on the Board as a decision maker, however, he felt he had no decision making rights and was being asked to act as a facilitator in this respect.

RESOLVED that:

1. A Conflict of Interest Form be forwarded to all Board Members for completion and return.
2. An independent assessment of all projects be conducted prior to a final decision on selection of projects being made by the Board.

47. Next Meeting

Monday 10 May 2021 – 9:00am via Zoom.