

1. Stage 2 Guidance and Overview of Proposals

- 1.1 The Lincoln Investment Plan was submitted to Government in October 2020, following approval by the Council's Executive and the Town Deal Board. The Investment Plan set out proposals for the sustainable growth of the City and a request for £24.75m Town Funding to support 15 regeneration schemes to be delivered over a 5-year term.
- 1.2 The Investment Plan has now been assessed by Government and a conditional 'Heads of Terms' funding offer has been received.
- 1.3 Once the Heads of Terms are agreed, towns are required to confirm the selection of projects to proceed to full business case within 2 months. Thereafter, towns have up to 12 months to develop full business cases for the shortlisted projects, which must be approved by the local accountable body, prior to the release of funds for delivery. Business cases may be developed within this timeframe to allow for early release of funds for 'shovel-ready' schemes.
- 1.4 The development and assessment of business cases must follow the guidance set out by Government, which includes a requirement to comply with the Treasury Green Book methodology. Towns are required to set out 'local assurance mechanisms' for the assessment process. As such, a Local Assurance Framework has been developed in Lincoln to take account of this requirement. The Framework mirrors that followed by the Greater Lincolnshire LEP, which already follows the Green Book requirement. This is included separately.
- 1.5 The latest MHCLG guidance states that locally, ultimate decision-making responsibility will lie with the accountable body but there is an expectation that decisions should be made in partnership and collaboration with the Town deal Board.
- 1.6 To accord with this, it is proposed that the Town Deal Board will continue to oversee the delivery of the Investment Plan and a Delivery Board will continue to bring lead partners together to work on the development of business cases and project delivery.
- 1.7 **In addition to the existing structure, an Investment Sub-Committee is proposed to oversee the the approval of project business cases, delivery and monitoring requirements. Proposed amendments to the ToR for the Town Board and ToR for the Investment Sub-Committee are set out in the Assurance Framework.**

2. Heads of Terms & Project Selection

- 2.1 The Heads of Terms Offer is for £19m funding to support 14 projects and includes a number of conditions.
- 2.2 This compares with an original funding ask of £24.75m to support a total of 15 projects.
- 2.3 The project which must now be excluded from the programme is the Road to Net Zero programme.
- 2.4 The remaining 14 projects remain 'in scope' and must now be considered in the context of the final funding offer and a final project shortlist must be drawn up.

- 2.5 To inform this decision-making, City of Lincoln has requested a project update for all of the projects included in the Investment Plan. This will be provided at the Board meeting on 12th March.
- 2.6 **It is proposed that this information will be reviewed by City Council Officers, working with project leads to establish a minimum funding position in respect of each scheme and whether any additional match funding can be brokered from partners or other sources to make up the shortfall. Confirmation that projects can be delivered within the timeframe for Town Deal must also now be assured.**
- 2.7 **The project prioritisation exercise undertaken to inform the final ranking and selection for the Investment Plan will then be revisited and if required, a further prioritisation exercise will be carried out to reflect the latest project position. It is proposed that the Investment Sub-Committee could oversee this process.**
- 2.8 This information will then be subject to review and a final decision by the Board, with the Heads of Terms to be signed by both the Chair of the Town Board and City of Lincoln Council's Chief Executive.
- 2.9 At this stage, critical factors for consideration are the risks to delivery and value for money, since the principle of support has already been established by virtue of the provisional Heads of Terms offer.

3. Project Update

- 3.1 The latest position with regards to each project will be summarised and presented to Board.