

Present: Mary Stuart (University of Lincoln) (*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), Valerie Johnson (St Marks Shopping Lincoln), Caroline Killeavey (Lincolnshire YMCA), Karl McCartney (Member of Parliament for Lincoln), Councillor Ric Metcalfe (City of Lincoln Council), Peter Neil (Bishop Grosseteste University), Leo Scott-Smith (Tended), Liam Scully (Lincoln City Football Club), Edward Strange (Brewin Dolphin) and Nick Warboys (Longhurst Group).

Also in Attendance: Ivan Annibal (Rose Generation), Joanne Davidson (Lincolnshire Police and Crime Commissioner's Office), Kate Ellis (City of Lincoln Council), Pete Holmes (Cities and Local Growth Unit – Department for Business, Energy and Industrial Standards and Ministry for Housing, Communities and Local Government), Mick Lazarus (Cities and Local Growth Unit – Department for Business, Energy and Industrial Standards and Ministry for Housing, Communities and Local Government), David Lewis (Siemens) and Jo Walker (City of Lincoln Council).

35. Apologies for Absence

Apologies for absence were received from James Baty (Greater Lincolnshire Local Enterprise Partnership), Ruth Carver (Greater Lincolnshire Local Enterprise Partnership), Ursula Lidbetter (Lincolnshire Co-operative) and Mark Speed (Siemens).

36. Welcome to New Board Members

Mary Stuart, Chair of the Lincoln Town Deal Board, welcomed Nick Worboys, Director of Development and Sales at Longhurst Group, and Valerie Johnson, Centre Manager for St Marks Shopping Lincoln, to their first meetings as members of the Board.

37. Minutes of the Previous Meeting - 23 October 2020

It was RESOLVED that the minutes of the previous meeting held on 23 October 2020 be confirmed as a correct record.

38. Heads of Terms Offer and Guidance

Mick Lazarus, Cities and Local Growth Unit – Department for Business, Energy and Industrial Standards and Ministry for Housing, Communities and Local Government, provided an update on Lincoln's Heads of Terms offer and further guidance.

Mr Lazarus reported that 45 towns, together with six last year, in the country had their respective fund deals announced by the Government, representing half of those having submitted bids. Lincoln's document demonstrated a very strong submission which was aspirational, well presented and a testament to the hard work that had been put in place. As part of the Government's analysis of the projects associated with Lincoln's bid, fourteen of the fifteen projects had scored high enough to qualify for this stage of the process equating to an offer of a £19 million investment in the city.

The next stage of the process consisted of the following:

- confirmation of Lincoln's acceptance of the Heads of Terms by 24 March 2021;
- confirmation of which projects, out of the fourteen accepted as part of the bid, Lincoln wished to progress further, within two months of accepting the Heads of Terms;
- within twelve months of the Town Deal being agreed, development and submission of final businesses cases for those projects selected.

Mary Stuart, Chair of the Lincoln Town Deal Board, reported that the City of Lincoln Council's Executive at its meeting on 17 March 2021 would consider approval of the Heads of Terms as the accountable body, taking into account any recommendations from this meeting. The final project selection would be based upon the framework set out as part of the next item on the agenda for this meeting, further to which business cases would be developed for approval through a locally assured process. She took this opportunity to extend her congratulations to everyone involved in Lincoln's Town Fund submission, calling it a huge success.

Clarification was sought as to whether the £19 million allocation would reduce should any of the fourteen projects not proceed to the next stage. It was reported that £19 million would remain as Lincoln's allocation even in the event that some projects did not progress to the next stage. The scope of those fourteen projects could be adjusted or projects could be withdrawn and the funding would remain the same, however, it was noted that new projects could not now be added for delivery under the Town Deal fund at this stage.

It was RESOLVED that the Heads of Terms be supported, in principle, by the Lincoln Town Deal Board.

39. Proposed Management and Governance Arrangements for the Next Stage

Jo Walker, Assistant Director of Growth at the City of Lincoln Council, presented a report which set out the proposed Assurance Framework and governance model that would be used to determine how the Lincoln Town Fund Programme would be managed and governed, taking account of the Heads of Terms agreement with the Government.

The report provided further detail to support the arrangements set out within Lincoln's Investment Plan. The framework and governance had been drafted with reference to the Local Growth Assurance Framework developed by the Greater Lincolnshire Local Enterprise Partnership for the management of its programmes and the existing policies and protocols which were in place for the City of Lincoln Council, as accountable body for the Town Fund Programme.

The document outlined specific information in relation to governance, transparency, confirmation of the accountable body, scope and undertaking of due diligence, decision-making, contracting and claims, monitoring and grant claims, independent evaluation, claw-back and variation orders.

The report also set out proposed amendments to the terms of reference for the Town Deal Board to allow for the creation of a new Investment Sub-Committee which would have responsibility for approving final business cases, mirroring the principles followed by the Greater Lincolnshire Local Enterprise Partnership. To assist in the decision-making, each business case would be subject to an independent due diligence check in the same way as for the Local Enterprise Partnership funding projects to ensure transparent and robust decision-making.

It was reported that having this framework in place would enable the determination of projects to be fast-tracked in order that delivery could commence as soon as possible, once the Board had made its final selection of projects to proceed to business case stage.

Mary Stuart, Chair of the Lincoln Town Deal Board, agreed with the principle of mirroring a tried and tested approach which a number of partners on the Board were familiar with. She emphasised that those members of the Board leading or closely affiliated with specific projects would not be involved in investment decisions related to those particular projects.

Gary Headland, representing Lincoln College, confirmed that it was a very sound process with discipline and rigour which worked very well for the Greater Lincolnshire Local Enterprise Partnership. It was noted that other Town Deal Boards had were also adopting a similar mechanism for this purpose.

Karl McCartney, Member of Parliament for Lincoln, asked, in terms of the independent nature of the mechanism reflected in the framework, whether this would be facilitated locally, who took the decision to select the appropriate independent mechanism, what the cost implications were and whether there were time implications to consider too given that the speed of delivery would be very important. It was proposed that the independent analysis would be undertaken by a third party consultancy firm with a very quick turnaround, in keeping with the swift processes and due diligence undertaken through the Local Enterprise Partnership. The independent consultancy would be appointed by the City Council as accountable body using its usual procurement policies and procedures involving invitations to multiple companies to bid for the contract, so it could not guarantee that the firm would be based in the city.

Caroline Killeavey, representing the YMCA, requested further visual detail be included within the documentation to show more clearly how the Town Deal Board impacted the scheme, particularly in respect of decision-making and accountability.

It was RESOLVED that the proposed Assurance Framework, governance arrangements and amendments to the Lincoln Town Deal Board's Terms of Reference be supported.

40. Project Updates

Jo Walker, Assistant Director of Growth at the City of Lincoln Council, provide the Lincoln Town Deal Board with an update on progress made in relation to Town Deal projects since Lincoln's submission to the Government.

It was noted that significant progress had been made on some of the projects to date. To assist the next stage of the process in terms of the determination of projects, a project confirmation form and summary paperwork templates had been developed to assist in agreeing the final selection. Further information on the status of projects would now be captured in order that greater understanding could be placed upon deliverability, value for money and any specific conditions set out in the Heads of Terms to assist in considering which projects would be put forward to the next stage of the process. Opportunities for additional match funding or co-funding would also be taken into consideration, particularly in relation to other funding avenues and opportunities announced as part of the Government's budget.

Given that the total funding requested equated to £25 million and fourteen of fifteen projects had been included with a £19 million allocation, this did leave a shortfall. Projects had already been streamlined, with significant consideration on outputs and matching funding opportunities having already taken place. It was agreed, therefore, that it would potentially be very difficult for the Board to facilitate delivery of all fourteen projects as part of the Town Deal funding allocation.

Lord Cormack, was of the opinion that the projects associated with the Drill Hall and Greyfriars were particularly important for Lincoln's position as a centre of tourism in Lincolnshire and its status as a historic city. In respect of the Drill Hall, Lord Cormack said that there was no other public venue comparable in the city which should not be lost and instead must be improved and enhanced. Similarly, the Greyfriars was a significant historic part of the city. He declared an interest as President of Heritage Lincolnshire but stated that he would be disappointed to see these two projects disappear from the list as they preserved Lincoln and should be considered as priorities. Lord Cormack agreed, however, that some projects would need to be removed as £19 million, compared to the £25 million originally bid for, equated to nearly £1 million per project which, in terms of realistic deliverability, was not very much.

Mary Stuart, Chair of the Lincoln Town Deal Board, was pleased to see that progress had been made with projects to date but agreed that the next couple of months would be key in determining which would progress to the next stage, with the likelihood being that the number of projects for inclusion would need to be reduced.

Jacqui Bunce, NHS Lincolnshire, asked for further clarity in respect of the conditions that had been placed on projects. It was reported that conditions were set out in the Heads of Terms and related to five specific projects. The documentation included with the agenda pack for the meeting had incorrectly placed conditions on six projects as opposed to five, so a revised version of the Heads of Terms would be circulated in due course.

Liam Scully, representing Lincoln City Football Club, agreed with the comments that had been put forward but reminded the Board that consideration needed to be placed on the wider, holistic and local impact of the projects, their outputs and

additional value they brought to Lincoln, rather than considering fourteen projects in isolation.

Mary Stuart agreed and stated that the next two months would consist of an interactive approach, reminding the Board that projects needed to be considered in the context of the Investment Plan as a strategy for Lincoln. She added that the Board needed to ensure that this investment in Lincoln was used as effectively as possible, making the absolute most of it for the whole city.

Charlotte Goy, representing Visit Lincoln, agreed with the comments expressed regarding connectivity in respect of the projects and declared an interest in her involvement in those projects associated with the visitor economy.

Leo Scott-Smith, Vice-Chair of the Lincoln Town Deal Board, highlighted that some projects had already started and may be reliant on the Town Deal funding but could actually be at risk of being pulled from the programme. He added, however, that those projects which had already secured matched funding, for example, meant that there was more likelihood of them being delivered.

Mary Stuart agreed that having secured matched funding at this stage could be advantageous and that deliverability, certainly from the Government's perspective, was important. She said that the Board had a difficult task ahead of it to take into consideration and balance all of these issues but added that other funding mechanisms could be explored to deliver the outcomes of some projects, with support able to be put in place should projects not be selected as part of the next stage of the Town Deal Programme.

Kate Ellis, Strategic Director of Major Developments at the City of Lincoln Council, cited the fifteenth project that was not included in the offer from Government as an example. This was a 'green' project focussed on achieving zero carbon and a range of funding opportunities were available to support it outside of the Town Deal fund.

The update was noted.

41. Next Steps and Next Meeting

It was RESOLVED that fortnightly meetings of the Lincoln Town Deal Board be established, should they be required, commencing 26 March 2021 until 24 May 2021 to consider the final selection of projects for the next stage of the Lincoln Town Deal Programme.