

## 1. Heads of Terms Offer

- 1.1 Following approval by the Town Deal Board on 12<sup>th</sup> March and by the City of Lincoln Council Executive on 17<sup>th</sup> March, a signed copy of the HoT Agreement, for £19m funding was submitted to government on 22<sup>nd</sup> March 2021.
- 1.2 In line with the Stage 2 Guidance, we now have 2 months to confirm the final selection of projects. The deadline for submission is therefore **22<sup>nd</sup> May 2021**. The information we are required to submit is as follows:
  - 1.2.1 **Project Confirmation Form** - for each project (using the template in Annex A of the Stage 2 Guidance)
  - 1.2.2 **Project Adjustment Form** – after confirming the projects and agreeing the confirmation forms, any adjustments to these projects must be reported using this form (Annex B of the Stage 2 Guidance)

## 2. Project Confirmation Forms & Recommendation for Selection

- 2.1 To comply with the guidance therefore, all projects have been asked to complete the information we require in the form of a Project Confirmation Form. All completed forms have been circulated to Board members for review together with a summary document.
- 2.2 In addition to the basic template, further questions have been included to assess the key risks to delivery and to understand if additional or alternative funding can be sourced to support the scheme. These questions have been asked to help with the final selection of projects given the reduced funding envelope of £19m.
- 2.3 Since all 14 projects have been assessed by government as a 'fit' with the programme, it is proposed that the selection process should now be based on deliverability, value and impact.
- 2.4 As accountable body, City of Lincoln Council has assessed the information provided by project leads and summarised this information within the attached spreadsheet. This includes updated project financials, outputs and key information relating to risk.
- 2.5 Additional match funding has been secured (or projects scaled back) to enable some savings and the total amount required to deliver all 14 projects currently stands at **£23.77m**. This means that **across the programme, savings (or additional funds) of £4.77m still need to be sourced or alternatively projects to this value need to be removed from the programme.**
- 2.6 A high-level assessment of risk/value and impact has been carried out, based on the information provided in order to inform the selection of schemes to proceed. There are 6 projects which are proposed for consideration and selection by the Board at this stage. These projects are not without risk but at this point in time, they are considered to represent a lower risk, relative to the other schemes in the portfolio. These projects are:

- Lincoln Connected
- Tentercroft Street
- Greyfriars
- Drill Hall
- Central Market
- LCFC Stadium & Community Redevelopment Project

The total amount required to commit to these projects (including programme management) is c. £9.9m.

2.7 Beyond this initial selection, as accountable body, the City Council proposes the following as a way forward, for consideration by the Board:

- Explore whether alternative funding can be pursued for one or more of the remaining projects as an alternative to the Town Fund, such as the Levelling Up Fund ([Levelling Up Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/levelling-up-fund-prospectus)). An overview of this funding opportunity will be presented at the Board meeting. The City Council will work closely with Lincolnshire County Council, neighbouring Districts and the Member of Parliament to establish the priorities for Levelling Up and how this might fit with the Town Deal programme to cover one or more schemes.
- Undertake a further, independent assessment of the remaining projects. The Council is in the process of contracting with consultants for the business case stage and it is proposed that these consultants be commissioned to carry out this exercise if it is considered necessary. The assessment will be based on the information currently held in respect of each project and will focus on deliverability (including risk), value and impact. In the event that an alternative funding strategy (such as LUF) cannot be agreed, the projects scoring least well through this independent assessment process, shall be recommended for deselection up to the value of the savings required.
- Information will be presented to Board on 14<sup>th</sup> May in order to make a final decision such that the required paperwork may be submitted to government by 22<sup>nd</sup> May.