



Item 4: Programme Update including DLUHC Six Monthly Return

The final Excel Monitoring and Evaluation Performance report template, required for reporting to DLUHC on a six-monthly basis under the terms of the Town Deal Agreement, has been circulated separately under part B of this Agenda.

This covering report summarises the contents of the report, in terms of Progress, Finances, Outputs and Risks for the period 1 April to 30 September 2023. The deadline for returning the report 4 December 2023.

Programme / Progress Status

Progress reported to DLUHC April to September 2023

- Delivery Phase had been completed across 3 projects by September 2023, the Drill, HEAT and Store of Stories total value £2.3M
- Delivery was on Programme across 2 projects Lincoln Central Market, Lincoln Made Smarter, total value £7.19m
- Slippage of between 3 and 12 months has occurred to the Delivery Programme across the following projects;
 - Lincoln Connected, due to delay in delivery partner changes, delivery plan assurance, procurement and appointment of CMS supplier. Slippage of 3-6 months.
 - LCFC due to project rescoping, planning resubmission requirements and additional funding confirmation. Slippage of 3 months.
 - Sincil Bank, due to delays in finalising the proposed deliverable scheme and delivery plan. Slippage 3-6 months.
 - Wigford Way Feasibility Study due to rescoping requirements and requirement for an additional delivery partner. Slippage over 12 months.
 - Tentercroft Street Feasibility study delayed due to clarifications of market need, and land . requirements. Slippage over 12 months
 - Greyfriars delays caused in extended design stage and negotiations with Historic England. Slippage 3 months.
 - LSIP delays in reconciling cost inflation factors. Slippage 3 months
 - Barbican ; delays in resolving due diligence conditions, Grant Funding Agreement and Subsidy status. Slippage 3 months.

All the above Projects are all still viewed as deliverable within the overall Town Deal programme, and no issues have been identified in respect of completion by March 2026.

Progress Update to November 2023

LCFC Community Hub is continuing with the build and is on target for completion in the new year.

The Market refurbishment contract has now reached practical completion and the external works are also nearing completion. Store holder fit out will now begin and be completed in the next couple of months.

Progress has been made since September on the delivery plans for Wigford Way, and Sincil Bank as reported under item 4.

A delivery plan for completion of the Tentercroft Street Feasibility Report that aligns with the development and delivery of a new City Centre Master plan is being scoped. The City Centre Masterplan review was the subject of a workshop at the City's Growth Conference held in November.

The Grant Funding Agreement has now been finalised for the Barbican Project and is awaiting signing and sealing. As this will now represent a binding agreement to fund an updated subsidy control assessment has been done by the Council as the accountable body. The Council's assessment, following external legal advice and detailed discussions with the project team, has determined that there is a subsidy which is allowed for under the regulations in the Act. Under the Act the Council is required to publish the subsidy on the government's Transparency Database. This was completed on 23 November 2023.

Financial status

Financial position reported to DLUHC April to September 2023

Expenditure against the baseline DLUHC are measuring Lincoln Town Deal programme against, - should have been £ £11,146,211 at September 2023. Actual expenditure was reported as £9,564,782.71.

The underspend against profile of £1.58m was a result of the programme delays and resulting under expenditure from the Barbican (£700k underspend) Sincil Bank (£561k underspend), Wigford Way (£250k underspend) and Tentercroft Street (£170K underspend) – and an overspend of £100K on the Market project.

The overall underspend is well within the 40% tolerance expected by DLUHC and no concerns required reporting in this respect. Expenditure is expected to accelerate as the delayed projects start and complete delivery.

Financial Position Update to November 2023

As the last claim was September there are no further financial expenditure updates to November.

Outputs and Outcome Monitoring

Output monitoring reported to DLUHC April to September 2023

At March 2023 the Lincoln Town Deal has delivered of 1 new cultural facility (Drill) and 1 new community Hub (Store of Stories), the latter also represents 1 historic building renovated and restored for reuse as commercial space (236.7m²) and new office space (85.5m²).

Across the programme 22 FTE jobs have been created and 106 temporary jobs supported.

The Drill and HEAT Projects have provided capacity for training an additional 125 people, with 243 trainees enrolled overall at the new facilities. Through HEAT and Drill projects over 416 employers have been engaged either with through training or assistance with performance improvement and HEAT project has also led to 4 new businesses being created.

The Store of Stories Community grocery continues to see an increase in membership – 1055 new members since opening and reports 14,030 customer visits a month - approximately £584 per week. The project has also been able to evidence that through the service offered, it has been able to support 1413 children from the impact of food poverty.

Output/outcome monitoring update to November 2023

As the last claim and evidence submission was September there are no further output updates to November. Progress is however being made on the mid-term Programme evaluation report which will be reported to the March Board.

Programme Risk assessment

Programme and Project Risks reported to DLUHC April to September 2023

Risk assessments are required to be reported to DLUHC as part of the return for both programme and individual projects. Risks are rated using a scoring matrix of between 1-24, on a pre-mitigated and mitigated basis. A score of 9 and above being deemed a 'red' RAG rating in the reporting table. We will reporting that the maximum pre-mitigated score for risks is 12 and 'red' across 7 of the Projects and that the maximum mitigated score for risk is 8 and 'dark amber' across 2 projects, with all other mitigated risk scores being below 6 and 'green to light amber'.

For the Programme the top 3 programme risks being reported are as previously identified; cost risk – rising costs and inflation; project reporting/monitoring and evaluation risk – the ability for projects to properly resource these aspects; and programme slippage risk.

With regard to cost risk, projects at most risk are those at pretender stage. Projects continue to manage this risk through rigorous pretender cost analysis and evaluation and post tender cost engineering if necessary. No projects at this stage have raised any issues of non-deliverability due to raised project costs, but all projects are reporting cost pressures to some degree. Regular meetings and updates with the projects aim to ensure any issues are identified promptly.

With regard to project reporting and monitoring risk – the Programme Team are working with individual projects to clarify their outputs and develop an efficient. With regard to programme slippage, at the moment all projects identified as delayed are still targeted to complete within the Town deal deadline of March 2026.

With regard to individual Projects risks, raised mitigated scores have been identified as follows;

- Underspend risk in relation to Wigford Way. This reflects the need to review delivery plan options for achieving the Town Deal objectives for this project as discussed by Board at the September meeting.
- The risk of unknown heritage at the Greyfriars site. The Project team are mindful of such issues facing building. Investigation works have been undertaken to mitigate some of this risk and a contingency has been included within project budget however further mitigation won't be possible until work starts on site.

Programme Risks update to November 2023

Progress has been made since September on the delivery plans for Wigford Way as reported under item 4.

Recommendation

That subject to the DLUHC report being reviewed and signed off by the City Council's Finance Officer and Town Board Chair that Town Board recommend the Monitoring and Evaluation Performance Report, as presented, be submitted to DLUHC by 4 December 2023 deadline.