

Item 9: Allocation of Uncommitted Funding

Summary

As a result of the Lincoln Science and Innovation Park Hub project not proceeding and Sincil Bank Regeneration Transport Improvements project tenders coming in below the expected costs, there is £1,100,000 of Town Deal capital funding potentially available for allocation to other projects within the existing programme, subject to MHCLG approval, which can demonstrate additionality and spend by March 2026.

The proposed process for submission, evaluation and decision-making is set out in the private part of this agenda to ensure that all projects receive the information about the further competitive bidding process at the same time.

LSIP Hub Project

Unfortunately, the Lincoln Science and Innovation Park (LSIP) Hub project is not able to proceed. University of Lincoln and Lincolnshire Co-operative who formed LSIP Limited were in a position to fund the capital delivery of the project but were unable to commit to the further and on-going revenue and risks associated with the revised business plan for the Hub.

Investment Sub-Committee have requested a full “Lessons Learnt” review of the project and the processes leading to approval, to capture any learning and enable future improvements to the submission and evaluation of projects. In advance of the review, it has been agreed that in the process for the reallocation of funds particular emphasis is given to considering the deliverability and commitment to the on-going revenue requirements for capital schemes.

LSIP Hub was due to spend £800,000 of Town Fund capital funding and bring in £200,000 of match-funding. It was also due to deliver the following outputs:

- 2 new jobs
- 20 entrepreneurs assisted
- 1 new facility
- 1 site regenerated

Sincil Bank Regeneration: Transport Improvements Project

Following the return of tenders for both the highways works and the new gateway locations for this project, the projected financial out-turn for the project is expected to require £2,677,702 of Town Deal capital funding as opposed to the £2,997,952 originally allocated. Whilst the revised figure includes some contingency, given that

the project is yet to start on site and there is no match funding available, the recommendation from the secretariat is that £300,000 of the original funding is reallocated at this time. In addition, as part of the process for allocating the remaining funding, a reserve list will be produced to enable quick delivery of any further underspends.

Recommendation

That the £800,000 from LSIP Hub and £300,000 from Sincil Bank are set aside for reallocation to projects within the existing Town Fund programme that can demonstrate the additionality and deliverability as per the criteria and process agreed in the private part of the agenda.