



Item 8: Programme Update including DLUHC Six Monthly Return

The Lincoln Town Deal Board are required to submit a Monitoring and Evaluation Performance report to DLUHC on a six-monthly basis. This report summarises the last report submitted 28 May 2024. As this is earlier than the usual June deadline, we have not been able to report in to and get formal sign off from Town Board prior to submission. DLUHC confirmed that circulation to Board Members would be satisfactory on this occasion.

This covering report summarises the contents of the report, and what has been reported to DLUHC in terms of Progress, Finances, Outputs and Risks for the period 1 October 2023 to 31 March 2024, along with any updates from March to date. The Microsoft Excel DLUHC report has been circulated to Board members separately to this agenda.

Programme / Progress Status

Progress reported to DLUHC October to March 2024

- Delivery Phase had been completed across 4 projects, the Drill, HEAT Store of Stories and Lincoln Central Market total estimated cost of £11.9M, of which £8.2M is Town Fund supported.
- Two projects, LCFC community Hub and the Barbican (total value of £6.2M and town Deal grant value of £2.5M) were on site and due to be completed within the next twelve months.
- Lincoln Connected Project and Lincoln Be Smarter Project (total value £4.23M and Town Deal grant £2.77M) were reported as being in delivery with only minor issues with programme delays. They will be completed over the rest of the program and no issues regarding output delivery were expected.
- Town Board agreement that the delivery and completion of Tentercroft and Wigford Way feasibility studies be aligned with the development of the City Centre Masterplan and the programmes adjusted accordingly - both studies still on track to be completed within programme.
- LSIP and Sincil Bank has yet to be tendered but for the latter was expected to be completed by summer 24.
- Greyfriars project works was tendered in this reporting period, costs returned were over budget and a cost review is currently underway.

- LSIP programme slippage was flagged as a risk
- Key challenge identified included:
 - Costs - Greyfriars works post tender costs a cost review.
 - Programme slippage and cost risk Two projects were still yet to be tendered or have uncertain costs - Sincil Bank and LSIP.
 - The Subsidy Act 2022 has required review of initial Business case assurance advice to ensure compliance.

Progress update since March 2024

- LCFC Community Hub has completed the delivery phase and the Hub was officially opened on 28th of June 2024 aligned to the football Club celebrating it's 140th year of establishment.
- With regard to Greyfriars, National Heritage Lottery Fund approved additional grant of £207k in June, which means that tendered costs are now affordable following specification and cost adjustment. The contract is to be let imminently and a start on site expected in September.
- With Regard to Lincoln Made Smarter, one of the funded project officers resigned earlier, demand from local Businesses for additional training and grant support have also been identified. A request has therefore been received from the University to extend the programme from March 2025 to December 2025 and offering further business support through training and additional grants. The proposal does not represent any change to the total Project budget with all necessary funding being accommodated from the post savings and other general underspend of £115,402.92. The proposal does however represent an opportunity to increase outputs and project value. **Board are requested to approve the request for an extension to the Lincoln Made Smarter Programme and virement of budget to support subject to the necessary Project Adjustment Request being signed off by DLUHC.**
- Sincil Bank tenders for the Highway works were returned at the beginning of July and all costs are within budget. Work is expected to start on site in September.
- We have been advised that the LSIP project has ben withdrawn from the programme. This is covered in a separate agenda item and report.

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 £15,290,498 at March 24. Actual expenditure was reported as £10,598,484.50

The underspend against profile of £4.692,014 was a result of the programme delays and resulting under expenditure from the Barbican (£1,) Sincil Bank (£1,4M), Wigford Way (£0.2M) and Tentercroft Street (£0.2) Greyfriars (£0.04M), LSIP (£0.4M) Lincoln Connected (£0.18M)– and Lincoln Made Smarter (£0.5M). The report was based on evidenced expenditure of processed claims to March 24 at the point of monitoring return (May) – the processing of some claims for expenditure to March 24 was however still pending in May so the report totals were effectively an underestimate.

This underestimate is however still within the 40% tolerance expected by DLUHC and no concerns required reporting in this respect. With the Barbican, Sincil Bank, Greyfriars in delivery, the progression of the City Centre Masterplan work, and an extension of the BE Smarter Project, accelerated expenditure is expected over the next reporting period.

Financial update since March 2024

All project claims have now been processed up to March 2024. An update on current expenditure will be provided at the meeting.

Outputs and Outcome monitoring

Output monitoring reported to DLUHC October to March 24

At March 2024 the Lincoln Town Deal has delivered of 1 new cultural facility (Drill) and 1 new community Hub (Store of Stories). 3 historic building renovated and restored for reuse as commercial space and new office space.

Across the programme 20 FTE jobs have been created or protected and 115 temporary jobs supported. Output and Outcome data is continuing to be collected through quarterly monitoring.

Output update since March 2024

A request has been received for output amendments from Lincoln College in respect of the Drill and HEAT projects. The amendments are in part due to Government guidance received since Business case stage clarifying the evidence required for outputs to be claimed and partly due to the continuing challenges hitting the hospitality sector. In this context a number of changes are proposed:

- The deadline for claiming outputs has been extended to March 2029 and therefore the College will continue to work to the original targets but over a longer time period

- Some outputs will be reduced somewhat or removed including those associated with business Engagement
- Where outputs are reduced or removed, the College has offered alternative outputs to ensure the project continues to offer value for money.

Examples of new outputs being proposed include:

- Heritage buildings No of heritage buildings renovated/restored
- Amount of retail, leisure or food & beverage space renovated/improved
- Number of visitors to heritage venues
- Availability of new specialist equipment

Officers are assessing the proposed changes and any impact on project value or impact and will report back at to a subsequent meeting.

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 reported that the maximum pre- mitigated score for risks is 12 and 'red' across 12 of the Projects but allowing for mitigation these scores reduced to 8 and 'dark amber' across 3 projects, with all other mitigated risk scores being below 6 and 'green to light amber'.

For the Programme the top 3 programme risks were 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 – Sincil Bank and LSIP. 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. 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.

Programme and Project Risks updates since March 24

Other than the need to address the removal of the LSIP project from the programme as covered elsewhere on the agenda, no other programme risks have been identified since March.

Recommendations

- That Board note and sign off the DLUHC monitoring report submitted at the end of May
- That Board note the progress made since March 2024
- That Board approve the request for an extension to the Lincoln Made Smarter Programme and virement of budget to support, subject to the necessary Project Adjustment Request being signed off by DLUHC.