

## **Item 7: Towns Deal Programme Update**

### **1. DHCLG Monitoring and Evaluation May 2025 Update Submission**

- 1.1 The Town Board are required to submit a Monitoring and Evaluation Performance report to DHCLG (formerly MHCLG) on a six-monthly basis. The last report submission was 27<sup>th</sup> May 2025 for the period up to March 2025. A copy has been circulated to all Board members for reference.
- 1.2 The key highlights of what was reported, in terms of Progress, Finances, Outputs and Risks for the period up to 31<sup>st</sup> March 2025 were as follows:

#### **Progress Status**

- We offered the option to have an extension to the Programme, this was confirmed on 17<sup>th</sup> February 2025, so the spend deadline of the programme is now March 2027 and the output deadline is March 2030
- The PAR (Project Adjustment Request) for the relocation of LSIP funds was submitted in December 2024, this was approved in January 2025 with additional funds being allocated to LCFC, The Drill, HEAT, Barbican & Store of Stories
- The construction phase had been completed across five projects by September 2024, the Drill, HEAT, Store of Stories, Lincoln Central Market and LCFC Community Hub at a total estimated cost of £15 M, of which £9.113 M is Town Fund supported
- Three projects, the Barbican, Sincil Bank Environmental improvements and Greyfriars, with a total investment value of £9.829M and Town Deal grant of £5.238M was reported as on site, with completion expected in 2025
- Lincoln Connected Project and Lincoln Be Smarter Project were continuing with delivery, with a total value of £4.23M and town Deal support to the value of £2.77M and reported as continuing to the end of the programme
- It was also reported that Town Board have agreed the delivery and completion of Tentercroft and Wigford Way feasibility studies be aligned with the City Centre Masterplan programme, and that Town Board were informed by the Project lead in March of the formal withdrawal of the LSIP project from the programme

**Financial status** - Financial expenditure to March 2025 was reported as follows:

<b>Project</b>	<b>Actual Spend to Sept 2025 (£)</b>	<b>Forecast Spend for 25/26</b>	<b>Forecast Spend 26/27</b>	<b>Total (£)</b>
Lincoln Connected	1,062,222	120,185	300,570	1,482,977
Lincoln Be Smarter	756,323.67	491,617.33	42,059	1,290,000
Wigford Way Feasibility	95,301.70	244,698.30		340,000
Sincil Bank	139,290.49	2,808,661.51	48,160	2,996,112
LCFC Community Hub	839,000	249,660	1,300	1,089,960
HEAT	1,120,000	101,280		1,221,280

Lincoln Central Market	5,900,000	0		5,900,000
Tentercroft Street Feasibility	17,250	272,750	22,000	312,000
Drill Hall	1,000,000	114,160		1,114,160
Barbican	1,763,843.53	85,116.47		1,848,960
Store of Stories	226,000	186,480	28,000	440,480
Greyfriars	81,587.90	458,412.10		540,000
TD Programme Management	360,800		59220	420,020
<b>Total</b>	<b>13,361,619.30</b>	<b>5,133,020.70</b>	<b>501,309</b>	<b>18,995,949</b>

The expenditure as reported was within the acceptable tolerances against original approved financial profiles.

## Outputs and Outcomes

Key outputs achieved highlighted and reported to March 2025 were:

- The programme has delivered 107 temporary full-time jobs, 31 full time permanent jobs and safeguarded 4 permanent jobs
- Supported 87 enterprises with both non-financial and grant support
- Delivered 4 new community/public facilities, two of which involved the restoration of 2 heritage buildings, one of which was derelict and one that included green retrofitting
- Increased capacity for training purposes and improved the amount and quality of office space provision and repurposed over 300m2 of floorspace
- Over 41,172 visitors to date to the new community food supermarket, which has 2633 new members to date and is estimated to support over 2253 children at risk of food poverty to date

## Programme Risk

Risk assessments are to be reported to DHCLG 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. It was reported that the maximum pre- mitigated score for risk was 12 and 'red' across 6 of the Projects but allowing for mitigation these scores reduced to 8 and 'dark amber' across 2 projects, with all other project mitigated risk scores being below 6 and 'green to light amber'. For the Programme the top 3 programme risks were reported as:

- The risk of underspend resulting from projects not spending to allocated. Mitigation of this risk through reallocation of funds across the programme to projects with deliverability strength

- Project reporting/monitoring and evaluation risk - the ability for projects to properly resource these aspects of the progress report. Mitigation of this risk was reported as being through quarterly monitoring reporting and meetings with projects as required
- Programme slippage risk - Mitigation of this risk was reported as being through quarterly project monitoring & increased review meetings with projects as needed. We have now secured an extension of the programme to March 2027

## **2. Progress Updates up to March 2025**

### **2.1 Project Progress Update Oct 2024 - March 2025**

2.1.1 A full description of the current status of all projects is included in the part B progress report, but key progress highlights since October 2024 are:

- Greyfriars is continuing progress with the refurbishment and consideration of the Management Business case. All conditions identified at due diligence stage have now been signed off
- Lincoln Connected was being delivered by Destination Lincolnshire, who have as of 13<sup>th</sup> May 2025 ceased trading. The process of liquidation is now underway and an update on the position is given in the Part B Agenda
- Sincil Bank Highways works have been progressing and were completed in mid-March however we haven't received the final claim for the works. Progress with the gateway and green elements is progressing slowly, with proposals having to be scaled back due to risks identified by the Local Highway Authority and feasibility restrictions in respect of existing services. All designs are now with the highway authority for checking, with a view that works can be priced and instructed ASAP once the final figure for the main works has been agreed

### **2.2 LSIP Underspend and Reallocation Update**

2.2.1 Following the removal of LSIP project from the programme, the due diligence process and options for the reallocation of the £800,000 were reported to the last Town Board and Investment Sub Committee. The PAR was approved by MHCLG in January 2025.

- Approved the reallocation of £800,000 from the LSIP project underspend and £1,840 from the Sincil Bank project to the projects and values summarised and subject to the conditions outlined
- That the reserve list projects be developed further and reported to the next meeting of the Investment Sub-Committee for delegation

The PAR has now been completed and the reallocation approved by MHCLG Towns Fund Team. In summary the approved reallocation is as follows:

<b>Project</b>	<b>Approved Project costs</b>	<b>Approved Fees</b>	<b>Total</b>	<b>From</b>
Drill	£113,200	960	£114,160	LSIP
HEAT	£100,400	880	£101,280	LSIP
Lincoln City Community Hub	£250,000	960	£250,960	LSIP
Barbican	£148,000	960	£148,960	LSIP
Store of Stories (Windows and Boiler)	£159,000	480	£159,480	LSIP
Store of Stories (Basement Feasibility Study)	£27,000	0	£27,000	LSIP and Sincil Bank
<b>Total</b>	<b>£797,600</b>	<b>4240</b>	<b>£801,840</b>	

- 2.2.2 All projects have been informed of the approval, subject to any conditions identified through due diligence assessment, and progressing with condition sign off in readiness for delivery.
- 2.2.3 As also reported to October 2024 Board meeting, the two reserve projects for further development were a proposal by Acts Trust for works to bring the basement at Beaumont Manor back into reuse and additional investment proposals for Greyfriars.
- 2.2.4 Greyfriars initial Expression of Interest request for additional funding was for just over £400k. A review and prioritisation have been undertaken by the project and works to the value of £180,105 been identified as a priority to improve the quality of the build and management and sustainability of the project on completion. Town Board are requested that subject to due diligence checks and approval from DHCLG that these works be prioritised for funding from any confirmed underspend from the Sincil Bank Project. Priority 2 works have also been identified which could be considered by way of pipeline in respect to any further emerging programme underspend.
- 2.2.5 Other pipeline project expenditure options are also being considered and will be presented to future Board meetings for consideration should any further programme underspends are identified.

## 2.3 Programme extension update

- 2.3.1 DHCLG Town Fund Team gave notice in December 2024 of a potential programme extension for Town Deal projects up to March 2027, where need can be evidenced. DHCLG are still expecting most of the programme to be delivered within the original timeline but have confirmed that an extra delivery year is potentially available for Town Deal projects that can properly evidence the need for additional time. Extensions will be granted by exception and confirmed on a case-by-case basis. No additional funding is available. They have also confirmed that they will accept defrayal or contractual commitments as evidence of spend.

2.3.2 All projects are currently expected to be completed, and Towns fund allocation spent by the 31<sup>st</sup> of March Deadline, except for those projects at potential risk as identified below:

- **Lincoln Connected**

This project has three delivery elements: the new website/customer management system; a cultural digital events programme; and a signage/wayfinding project. The signage and wayfinding delivery programme has slipped, with an approximate value of £150- £200K. From quarterly claim and project board updates, the delivering this of element within the current programme deadline of March 2026 is still unassured

- **Tentercroft Street Feasibility Study and Wigford Way Feasibility Study**

Town Board have agreed that delivery of these studies be aligned with the wider City Centre Masterplan review, to ensure that plans for the sites adequately address the needs and opportunities identified. The current remaining allocation is £312,000 for Tentercroft Street and £244,698 for Wigford Way. Delays in progressing the City Centre Masterplan review this year due to issues with consultancy commissioning, and local/national election priorities, has meant that while these projects could still be feasibly delivered within the existing programme, it would be at risk of needing to be rescoped, with potential detriment to the final output

2.3.3 An extension was submitted to DHCLG of the slippage risk regarding the above projects and approval received in February 2025 for the deferral of outstanding Government grant payment to financial year 26/27. This provides a programme extension contingency for the above projects.

### **3. Recommendations**

- 3.1 That the May 2025 DHCLG submission as circulated and reported be accepted.
- 3.2 That Town Board delegate to Investment Sub-Committee consideration and decision, subject to due diligence checks and approval from DHCLG, that the priority 1 works identified for Greyfriars be funded from any confirmed underspend from the Sincil Bank Project.