

Connected Coast Board Meeting

Zoom link in meeting invitation

Friday 25th February 2022

Agenda

1. Welcome, introductions and apologies for absence
2. Declarations of interest
3. Minutes of the Meeting held on 20 January 2022*
4. Business Case: Colonnade at Sutton on Sea*
5. Risk Register, Programme Update and Financial Report
(pages 2-6 below and attached Gantt)
6. Assurance Lincolnshire Audit *(pages 7-10 below and attached Consultancy Report)*
7. Levelling Up Presentation
8. Communications and Engagement Update (verbal update)
9. Governance Assurance (verbal update)
10. Skegness Gateway Presentation
11. AOB

*Papers attached to email

5. Risk Register, Programme Update and Financial Report

Introduction

This report updates progress in relation to project delivery and Finances.

Skegness

Skegness Foreshore

The recent marketing exercise concluded on the 10th January. The Council's Corporate Management Team reviewed the expressions of interests received at a meeting on the 26th January. Detail of the EoIs received remains commercially confidential. Pygott & Crone reported that some strong initial interest and commitment from developers within the leisure sector to pursue an interest in all three lots waned in parts in the build up to Christmas in response to the Omicron wave and concerns within the industry about the threat of further restrictions. In the light of this whilst it is still possible to produce an FBC for the project the EoI process will need to run in the spring to identify a new development partner.

Skegness Interchange

The FBC for this project was approved at the Board Meeting on 20 January 2022.

Culture House

The draft FBC for this project has been submitted to the secretariat and is currently in draft. There is a challenge about the VAT position in relation to this initiative and we are currently seeking guidance as to implications for the Council and Magna Vitae based around the tax interpretation of the position of Magna Vitae as the lease holder for the Embassy Centre.

Town Centre Transformation

The FBC for this project has now been approved by the Board. It is in final development from the perspective of DLUHC. Work is advanced on building up a pipeline of projects. The contract for the agreement of 5% allocation of resources has now been issued.

Hardy Multi-User Trail and Police Training Centre

Contracts for draw down of the full funding associated with both these projects have now been issued.

Learning Campus

The FBC for this project was approved at the Board on 20 January. A funding agreement to enable the drawdown of the initial release of 5% allocated to this project has now been issued.

Mablethorpe

Sutton on Sea Colonnade

The FBC for this project is attached and will be considered by the Board.

Leisure and Learning Hub

Alliance Leisure Services (ALS) have been commissioned under the UK Leisure Services Framework to complete the design works by April 2022, at which point the project will then be submitted for detailed planning consent. The overall site layout, building envelope, internal location and specification of services is now finalised with ELDC and Magna Vitae colleagues and will form the

basis of the detailed design works to meet approved cost envelopes. As part of the ALS commission, Max Associates will provide an updated business case on income modelling and demographic/customer profiling. This is now with the District Council for further internal review and approval by the Council's Executive Board and Senior Leadership Team to inform the full business case work. FBC due for discussion at sub-group on the 14th March and Connected Coast Board approval on the 17th March.

Campus for Future Living

This project is making good progress. The design sub-group which have been looking to finalise the layout of the centre has completed its first cycle of meetings which enable the design of the building to be finalised by Lindum who are the contracted agents to take the project to RIBA4. At the moment the slightly revised schedules for the completion of the statutory processes associated with the project are still running within an acceptable timescale. The Project Manager is undertaking a range of interactions with local partners and stakeholders to build local engagement and input. These involve finalising the MoUs for the use of the facility with the University of Lincoln and the Medical Technology Innovation Facility at Nottingham Trent University.

Mobi Hub

Detailed designs and provisional costs have been established for this project. They have been discussed at a meeting with the current site owners on Victoria Road. Some modest amendments are now in train with the architect. An internal scenario planning workshop was held within the council on 20 January and has helped to provide a clear final series of options for the relationship between the site owners and the local authority which are the two parties to the proposals. We anticipate that the project will be able to complete an FBC in time to meet the end of March deadline if the outcome from this workshop and the redesign process flow straightforwardly following that meeting, with a draft and full FBC to follow in February and March 2022. The Highways and Planning team at Lincolnshire CC have been engaged and a positive ongoing dialogue with them about the linkages between the project and wider transport planning has been scheduled in.

Town Centre Transformation

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National Trust at Sandilands

The FBC for this project has been delayed. This will now be allocated to the March cycle of Connected Coast Theme Group and Board meetings.

Summary

A brief summary of progress with each project is set out in the table below:

Mablethorpe	Month	Sub-group	Board
Town Centre Transformation – January 2022	Awaiting DLUHC approval		
Colonnade at Sutton on Sea – March 2022	February	21/02/2021	25/02/2021
National Trust at Sandilands – March 2022	March	14/03/2021	17/03/2021
Campus for Future Living – March 2022	March	14/03/2021	17/03/2021
Mobi-Hub – March 2022	March	14/03/2021	17/03/2021
Leisure and Learning Centre – March 2022	March	14/03/2021	17/03/2021

Skegness	Month	Sub-group	Board
Town Centre Transformation (including Tower Gardens)	Awaiting DLUHC approval		
Skegness Interchange (formerly railway station)	Submission to DLUHC February 22		
Learning Campus	Submission to DLUHC February 22		
Skegness Foreshore	March	14/03/2021	17/03/2021
Cultural Skegness	March	14/03/2021	17/03/2021
Hardy's Multi-User Trail – FBC completed	Approved		
Police Training Centre – FBC completed	Approved		

Finance

The accompanying spreadsheet sets out the overall financial structure in relation to the current town fund position. The key challenge is to ensure that the full 5% allocated to each fund is contracted by the end of March 2021. The current position is as follows:

Allocation to date and Residual balance:

Mablethorpe	£'000	Skegness	£'000
5% Advance	1,195	5% Advance	1,225
Less Allocations at previous Board:			
Campus for Future Living	260	Learning Campus	720
Colonnade	400	Cultural Skegness	100
Learning & Leisure	460		
Campus for Future Living	70		
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Balance to Allocate	5		405
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We are currently reviewing the allocation of the funding across the programme for each town taking account of the Government which allows for:

- Using Freedoms and flexibilities, including capital swaps which are available to the local authority as accountable body
- Using contractual commitments – so the spend is committed this FY although not yet paid out

Risk Register

In addition to the individual project risk registers which are attached to specific projects in the spreadsheet which accompanies this report a programme wide risk register for the delivery of the whole programme was identified as a desirable item and the detail of this is set out below as well as incorporated as a tab in spreadsheet:

Risk	Likelihood	Impact	Mitigating Actions/Actions Required
Scheduling of Business Cases	Low	Medium	We have agreed a protocol with DLUHC which allows us to "drip feed" FBCs rather than around set "batch" deadlines - details of proposed timings are set out in the Board report on 20.1.22
Achieving Target Spend	Low	Medium	We have identified the relative risks on a project by project basis, individual mitigations measures at the level of specific projects are in place and further intelligence is collected on a real time basis through our engagement with each project as the TF secretariat
Achieving Matched Funding Totals	Medium	High	It is likely that due to project design changes arising from the FBC development process that there may be some need to value engineer projects as a result of inflationary pressures. This may knock on in terms of matched funding contributions. We are alive to this issue and we have been involved in detailed project by project risk rating to understand and plan mitigations at the level of individual project development.
Programme Management Capacity	Low	Medium	The CCB team has a good level of dedicated staff with additional capacity in the host local authority and more widely in the Strategic alliance with partner relations in other authorities with an interest in the programme including the County Council and LEP. There is scope to seek support from these resources to mitigate unforeseen capacity challenges.
Achieving Overall Programme Outputs	Medium	High	The programme management role followed by the CCB and Connected Coast team provides good scope to identify early and then intervene to manage and mitigate risks as identified.
Meeting Evaluation Requirements	Low	Medium	There is a requirement to evaluate the impact of the programmes in each town, we are yet to put the arrangements in place to collect the evidence and programme the evaluation. We have significant experience of these actions in other settings and are beginning to make preparations for the meeting of this obligation once the current stage of the FBC process is completed.
Individual Project Failure	Medium	Medium	There will inevitably be some challenges which occur in terms of project delivery. Through the FBC process these will come to the fore and we will be able to keep on top of them through the project implementation process set up as the next stage of this programme. Depending on the scale of the project and its relative importance to the programme (we have individual risk registers for each project) we will be able to put mitigations in place or escalate the solution to the issue to a discussion with DLUHC using as appropriate project variation forms rescheduling timescales and outputs.

Multiple Project Failure	Low	High	This is a relatively low risk because of the comprehensive and varied spread of projects across the programme both thematically and in terms of delivery organisations. Should it occur we will, through monitoring be able to plan amelioration as it gathers pace so that the implications are fully understood and reported before they reach an unmanageable stage.
Subsidy Control Challenges	Low	High	Relatively few of the projects have a subsidy control component. We are planning a desk review of the relative challenge associated with each project working with Freeths as professional advisers and will have mitigations pre-planned should any challenges arise.
Programme Level Inflation Cost Pressures	High	Medium	This is a material risk. We are already involved in value engineering discussion with projects on an individual basis as the FBCs progress to enable us to mitigate this in relation to individual projects.
Programme Governance Failures	Low	High	We have the operation of the Board and its assurance framework including the theme groups under constant review and have just completed a new Terms of Reference and a Skills Audit to enable to refresh the current governance arrangements and we plan to make this a regular and positive on-going process.

6. Connected Coast Board Report on the Internal Audit Report for Boston Borough Council and East Lindsey District Council, dated January 2022

Commencing in July 2021, Assurance Lincolnshire undertook a comprehensive review of three town deals for Boston, Mablethorpe and Skegness. This focussed on the role of both East Lindsey District Council and Boston Borough Council as the accountable bodies for the Towns Fund.

The review included an examination of the programme and project management of the overall Towns Fund, risk management, resource management, financial management, procurement, legal compliance and external funding compliance.

The full Audit Report is attached to the Board Papers.

The key messages were:

The Town Fund is a highly complex programme of projects involving the Council and multiple partners delivering on three separate Town Investment Plans, Boston, Skegness and Mablethorpe. The Council, lead partners and the Boston and Connected Coast Town Boards have worked immensely hard to have all three Town Improvement Plans (TIP's) accepted with grant offer letters now received for over £60M worth of projects.

The Council has acted quickly to secure funding and progress projects and we found some good examples of project management and governance in place for such a key complex area of work.

Overall programme management and progress is very good and this is demonstrated through the current position of projects and grant offers made.

To support the programme and progress delivery, Assurance Lincolnshire identified the following areas to strengthen, including:

- Procurement and compliance with regulations and procedures
- A single contracts register for improved oversight
- Programme and project plans to support good project management

There were 8 risks identified within an action plan:

	Risk Description	Recommendation:	Response:
1	The programme/project does not achieve its objectives	Review website and ToR and ensure both are up-to-date	Terms of Referenced reviewed and updated for the Connected Coast (requires ratification from Executive Board of East Lindsey District Council). Website updated and support identified to keep up-to-date.
2	The programme/project does not achieve its objectives	Project logs kept for the Connected Coast and all meetings are documented	The template for meetings and project logs has been replicated from Boston and is being put in place for all Connected Coast projects.

			All meetings are now documented, including weekly Town Deal Delivery Team meetings.
3	The programme/project does not achieve its objectives	All equality impact assessments are correctly completed	A new template for equality impact assessments has been adopted. These are completed for each business case and approved by the Local Authority's Section 151 Officer.
4	The programme/project does not achieve its objectives	Agreed each project requires a project plan/ task list	This is a stipulation of the full business case and is in progress for a number of projects.
5	Procurement is not managed effectively	Ensure all procurement is compliant with CPRs	Review of all contracts in progress.
6	Procurement is not managed effectively	Obtain assurance from the external project leads that they have used the procurement routes (and values) set out in the OBC/FBC.	This is part of the accountable body's review of the business case prior to submission to DLUHC.
7	Procurement is not managed effectively	Establish a towns fund contract /procurement register	In progress.
8	External funding requirements are not met	Ensure that terms of reference are clear and that sign off of the FBC's is through the Boards.	Local Assurance framework approved by the Board and followed for each FBC sign off.

In addition, there were the following advisory recommendations and comments arising from the audit.

Ref	Finding	Advice	Response
AP1	A Programme plan has been developed and will require further development.	Officers will need to agree when and where the programme plan will be reported to - e.g. sub groups, Town Boards, Ops board (if established) and SLT/CMT	The programme Gantt is now shared at every board meeting. This programme plan is reviewed through each Council's processes too.
AP2	The Project Manager for the Mayflower project (Boston College) may be shared and	Ensure that where we have shared project managers (or other staff) working on our behalf or our staff work for	Appropriate advice is being obtained.

	used for the Leisure contract.	external clients that appropriate legal agreements and insurances are in place	
AP3	There are likely to be some VAT queries, and some have already been received by partners. Some advice has been received for the Levelling Up fund.	It may be necessary to seek professional VAT advice, and this should be sourced.	Appropriate VAT advice has been obtained.
AP4	Although there are a range of programme groups and oversight is currently at various levels, it may be worth considering an Alliance “Operations” Board (or group) covering the three TIP’s that could meet formally, say monthly as the programme develops.	Consider an Alliance “Operations” Board (or group) particularly as we move into delivery on projects.	A new programme board has been put in place within the Council, this incorporates senior officers responsible for each project and regular reporting to all of the Senior Leadership Team. Regular reports are also provided to Group Leaders, the Council’s performance and project reporting and when appropriate follow the Council’s processes.
AP5	The government have announced a new 5% advanced allocation which can be paid to lead bodies to assist with project delivery. Usage should be made clear to partners within an agreement	It is recommended that any payments made to partners is covered by an appropriate legal agreement which is separate to the FBC GFA that is being developed	A legal agreement is now in place. This was reviewed by an independent legal firm and approved by the Council’s SLT.
AP6	There is regular liaison with contractors and consultants; not all meetings / interaction follows a standard format – it depends on the nature of activity and timing.	It would be useful to ensure regular (monthly or quarterly) minuted meetings with contractors and consultant with formal agendas using a standard format.	In place.
AP7	Whilst data protection risks are assessed as low by officers data protection should still be discussed with the council’s data protection officer as part of programme/project management to determine if there is any requirement	Review data protection arrangements with the data protection officer and record this as part of the programme records	In progress.

	for a data protection impact assessment or assessments.		
AP8	<p>Declaration of conflicts of interest is a key part of the required governance arrangements; Towns Fund board members have made appropriate formal declarations.</p> <p>Board agendas do not cover conflicts of interest as an agenda item although it is understood that it is covered in chairs opening remarks.</p>	<p>It is recommended that this is added to the agendas. Any conflicts of interest reported should be formally noted within the published minutes.</p>	Actioned.
AP9	<p>A small amount of board meetings did not have a legal or financial lead officer present. To support effective governance and decision making key officers or deputies should always be present.</p>	<p>Consider deputising arrangements so there is always attendance of a Council lawyer. Ensure a senior finance officer or S151 officer are available to attend all Towns Fund board meetings.</p>	In progress.