



Connected Coast Town Deal Board

Embassy Centre Skegness

8 September 2022 at 10 am

Agenda

1. Welcome, introductions and apologies for absence
2. Declarations of interest
3. Minutes of the previous meeting held on 30 June 2022*
4. Matters arising
5. Risk registers and update on projects*
6. Communications
7. Shared Prosperity Fund*
8. Any Other Business

*Papers attached

5. Risk Register, Programme Update and Financial Report

Introduction

This report updates progress in relation to project delivery and finances. All FBCs including the Campus for Future Living and Mobi-Hub in Mablethorpe, which were subject to a Project Adjustment Request have now been approved. This report should be read in conjunction with the spreadsheets which accompany it.

SKEGNESS

Skegness Foreshore

The Council has relaunched a commercial prospectus to advertise under-utilised lots on the Skegness Foreshore, including the sites earmarked for Towns Fund enabling investment around the former Southern Bowling Greens and Boating Lakes. The marketing process will run for a minimum of twelve weeks with shortlisted proposals confirmed by the end of the year.

A separate planning application has been validated to deliver an 80 bed Travelodge and drive thru Starbucks on adjacent Foreshore sites. Details available at:

https://publicaccess.e-lindsey.gov.uk/online-applications/applicationDetails.do?keyVal= EASTL_DCA PR_136021&activeTab=summary

A copy of the prospectus will be available at the meeting of the Board.

Skegness Interchange

Preparations for delivery are progressing to schedule at this stage. The Transport and Connectivity Sub-Group of the Board received a very positive presentation from East Midlands Trains on 1 August. There are some issues which merit further information about parking challenges and it was agreed that discussions with both the Cricket Club and the adjoining supermarket should be initiated.

Culture House

The Planning Application for this project has been approved. A Cultural Development Fund EOI has been submitted to Arts Council England, which would enable the full vision for the Embassy to be realised. Notification of whether we can progress to full application is due by the end of September.

Town Centre Transformation

A good pipeline of projects has been developed and the scheme for Tower Gardens is now close to implementation with the agreement of the appointment of a contractor to deliver the works.

Hardy Multi-User Trail

Funding issued and project complete.

Police Training Centre

Contract for draw down of the funding has been issued.

Learning Campus

This project is making good progress. The showcasing of the development of the campus is now under active planning and may involve the use of a vacant retail unit in Skegness.

MABLETHORPE

Sutton on Sea Colonnade

The Section 30 Agreement remains to be signed between the Environment Agency and East Lindsey District Council. Final revised terms are being negotiated and contracted with the respective legal teams.

The amended Section 30 Agreement will result in some site layout changes which will require amended plans to be resubmitted as part of the deposited planning application, whilst still delivering all of the intended facilities and objectives of the original design.

The amended Section 30 Agreement and revised site layout are expected to result in a more efficient build programme and less steel works required. As such, the project remains on track for an Easter 2024 completion and handover as per the submitted (and approved) FBC. The pre-construction timeline is currently under review but the design team remain engaged and are continuing simultaneously alongside the Section 30 negotiations to confirm the final cost plan and procure/progress with the main contractor for the capital build. Amended plans will not be deposited with the local planning authority until the Section 30 Agreement is signed.

Leisure and Learning Hub

The planning application is now approved (1 September). Planning Reference: N/110/00978/22

All plans can be viewed by the Council's planning portal at:

https://publicaccess.e-lindsey.gov.uk/online-applications/applicationDetails.do?keyVal= EASTL_DCA PR_135940&activeTab=summary

The Building Regulations application has also been submitted and registered and the design team are completing the RIBA Stage 4 works to confirm the cost plan and pre commencement works to progress the appointment of a main contractor.

The project remains on track to start in site this year and complete by Easter 2024 as per the approved Full Business Case.

Campus for Future Living

The Project Adjustment Request for this project has now been approved. The planning application was approved on 1 September. This will enable subject to the completion of the contract process the appointment of a build contractor and for the construction to begin on site in November 2022.

In parallel with this development a soft market testing exercise has identified a potential operator for the facility. In conjunction with the practical arrangements for the implementation of the facility Professor Mark Gussy from the Lincoln International Institute for Rural Health has Chaired the first working group established for the project which brings together all its core partners.

Mobi Hub

The Project Adjustment Request for this initiative along with an agreed project contribution from the Town Centre Transformation project of £423,000 provides a re-scaled budget of £700,000 to implement the relocation of the operation from its current site.

Discussions are now underway to fully reshape this project. We have set a deadline, subject to Board approval, of the end of December 2022 to finalise the negotiations around this project.

Town Centre Transformation

Work is now underway to begin convening the accountability forum for this project. The transfer of funding referenced above in relation to the Campus for Future Living and Mobi-Hub means that whilst this project can progress it will deliver a projected lower volume of activity. The Transport and Connectivity Sub-Group met and considered a report on how the reallocation of funding could be deployed prepared by Heritage Lincolnshire (see Appendix A). It was agreed to recommend this to the Board.

National Trust at Sandilands

The following update on progress has been received from the National Trust in relation to this project:

- The project board have had the £6.4m (£2m from Towns Fund) project signed off by our internal NT executive board.
- Full planning application for the visitor infrastructure and nature reserve is going to ELDC in autumn 2022 – we have anticipated October 2022 for the purposes of the TF gantt which accompanies this report.
- NT have started to remove some of the outbuildings adjacent to the former clubhouse (we will be looking to rename the components in the next few months).
- Dog waste bins are being installed over the next few months.
- The removed outbuildings will be replaced with a temporary outdoor food & beverage unit and office and will be open mid/ late September 2022 and will provide the operational team with a base to interact with visitors on site whilst the permanent project is being planned and constructed.
- NT have appointed Inspire, a design team for the clubhouse café.
- NT are still on track to complete and open the wider operation in spring/ summer 2024.

Finance

The accompanying spreadsheet sets out the overall financial structure in relation to the current town fund position. We are required to demonstrate to DLUHC that we can achieve our profiled spend by the end of each financial year according to the initial profile agreed with them. There has been some programme slippage however we are still optimistic that using freedoms and flexibilities and forward financial accounting that it will be possible to achieve the commitment of profile spend.

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
Achieving Target Spend	Medium	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. The projected underspends linked to projects post OBC completion have introduced a heightened level of risk for some projects into the equation.

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 have come to the fore and we are able to keep on top of them through the project implementation process currently being set up. 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 un-manageable stage.
Subsidy Control Challenges	Low	High	Relatively few of the projects have a subsidy control component. We are commissioning 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. Our key focus is on Hardy's Multi-User Trail and the Mobi-Hub which have relatively significant levels of funding allocated to private sector organisations where the rationale is market failure.

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.

7. Shared Prosperity Fund

Introduction

The UK Sustainable Prosperity Fund (UKSPF) submission has now been registered with DLUHC. ***The fund will operate across the whole of East Lindsey.*** The focus of the fund is in some senses the replacement for the old European Social Fund, with an emphasis on skills based training and development. The UKSPF however is wider and more flexible than its EU forerunners.

It was agreed that an East Lindsey wide accountability group with its roots in the Connected Coast Board would be established, with wider membership to include inland settlements.

This report is the first update on progress to the extended CCB as the governance group.

Strategy

A very extensive process of consultation yielded more than 500 survey and social media responses for East Lindsey.

A strategy document attached along with accompanying spreadsheet as an appendix to this report was submitted.

We took the view that it would be useful to choose a significant number of the intervention areas available within the prospectus within each of the three themes: Community and Place, People and Skills and Supporting Local Businesses.

Funding for the People and Skills theme doesn't really start until next year. Money can be spent on activities or buildings and equipment. The type of activities under each theme which people might put forward include:

Community and Place:

- Improvements to town centres and high streets including better accessibility for disabled people
- Improvements to community and neighbourhood buildings and outdoor spaces
- Flood risk and coastal erosion investments
- Improvements to local greenspaces, community gardens and watercourses
- Support for cultural assets, such as the restoration of buildings or canals or outreach activities linked to them
- Improvements to the streetscape through activities, lighting or CCTV
- Support for local arts, culture and heritage: running programmes of events or physical developments such as maker spaces
- Creation and upgrading of footpaths
- Improvement of the visitor offer through campaigns to promote areas
- Volunteering support
- Funding for sports facilities
- Funding for community buildings
- Support for programmes to engage people in local decision making
- Activities to promote energy efficiency
- Investment in digital infrastructure

Supporting Local Business

- Investment in open air markets
- Investment in the development of visitor tours, the upgrading of tourism attractions, development of visitor attractions
- Support for the development of digital technology solutions
- Research and development grants to support innovation and knowledge growth for businesses
- Business networking and growth
- New business sites and accelerator hubs
- Specialist advice for businesses
- Grants to hold events and conferences that support growth sectors
- Training for people to set up new cooperative businesses
- Funding to develop investor networks
- Export development funding
- Funding for net zero initiatives by businesses
- Business growth funding particularly in areas of high unemployment

People and Skills

- Support to help people enter the workforce who traditionally find it hard to get work
- Support for the development of basic skills
- Volunteering to improve well-being
- Digital inclusion
- Support for training and personal development for those in work
- Support for local areas to fund their skills needs
- Development of green industry skills
- Retraining for those in high carbon sectors
- Funding to support digital skills

Lead Bodies

In terms of detailed implementation a number of lead bodies will be identified. They will each be responsible for a theme within the delivery arrangements for the SPF. They will report to the local authority and the Boards identified above. They will identify the local projects they to be funded through a competitive process. These lead bodies in some cases will be individual organisations and in other cases they will be networks of organisations with one of their number taking on the role of managing the finance. They will be expected to identify where appropriate matched funding for individual projects. The lead bodies will be identified through a competitive process. The consultation has helped to validate the themes we ultimately chose and set the basis on which an invitation to lead themes will go out to stakeholders when we run the competition.

Projects and Money

We would like to encourage people to share their ideas for projects around any of these areas. The best ideas will be developed and allocated funding from the following budget over 3 years:

- East Lindsey has £4.44 million

This money is ring fenced for East Lindsey. We anticipate it will be possible for good project ideas which cover more than one local council area to join funding up across South and East Lincolnshire and potentially wider.

Governance Arrangements

Our strategy for managing the UKSPF is to link the approach across the three areas within the South and East Lincolnshire Council Partnership. Each SPF area has to have a governance group. In East Lindsey, the Connected Coast Board (which already has a number of county wide organisations) agreed it would be extended to cover the inland areas. The role of the governance group is to overview and advise on the evolution and subsequent implementation of the UKSPF strategy in its area.

Appendix A

Revisions to the Mablethorpe Town Deal High Street Scheme V.1.2

We believe that even with retrenchment within the fiscal envelope, we can still deliver a meaningful, credible and impactful High Street heritage scheme within Mablethorpe, while also providing the maximum possible contribution to the development of the Grayscroft scheme.

Initial demand for the Mablethorpe Town Centre Transformation scheme was strong, with 15 Expressions of Interest in the development of the scheme. Skegness had 7 Expressions of Interest in the same timeframe. The nine-month pause in the scheme arising from the re-negotiation of the fiscal envelope has meant that Interest has not been converted into projects, but we are confident that we are able to make a strong start once the scheme commences.

Mindful of the unique mix of property ownership within Mablethorpe, we think that it is absolutely vital to adopt a 'community-led' approach to the design of this project and we have been working closely with partners from the local community and the University of Lincoln to ensure that our design is tailored to the needs of local residents and businesses.

Our strategy for testing demand and ensure the success of the project is:

- Year 22/23: Community-led design process with Lincoln University, Direct employment by HTL of signwriter and decluttering utilising the £50,000 pot of funding reallocated to pump prime the scheme and secure an early positive impact. Open grants programme based on the community-led design process considering grant level and contribution depending on demand. The Public Realm scheme already discussed with Mablethorpe Big Local can be implemented in the short term.
- Year 23/24: Open grants programme and, if demand is lower than expected and cannot be secured through revised grant rates, direct intervention by HTL to deliver projects
- Year 24/25: Continue the delivery of grants and direct intervention where required.
- Year 25/26: Hold in reserve for any capital overruns, close project.

Initial Approved Business Case – Mablethorpe Town Deal

4.1 Project Budget						
Please provide a breakdown of the project costs by year.						
	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Total
i) Capital						
Capital Grant	25,000	200,000	300,000	300,000	50,000	875,000
Private Owner Match	5,050	45,300	85,889	84,257	10,100	230,596
Public Realm				50,000		50,000
Parks and Gardens Grant			75,000	25,000		100,000
Professional Fees	11,000	20,687	24,375	25,375	1,000	82,437
Inflation and Contingencies		23,313	46,625	46,625		116,563

Total Capital	41,050	289,300	531,889	531,257	61,100	1,454,596
ii) Revenue Costs						
Revenue shared costs - staffing, PR/promotion, activities, legal/shopfront guides etc	11,000	14,000	15,000	16,000	7,000	63,000
Total revenue	11,000	14,000	15,000	16,000	7,000	63,000
Total Project Costs	52,050	303,300	546,889	547,257	68,100	1,517,596

Revised Business Case – Mablethorpe Town Deal

4.1 Project Budget						
Please provide a breakdown of the project costs by year.						
	Year 1 21/22	Year 2 22/23	Year 3 23/24	Year 4 24/25	Year 5 25/26	Total
i) Capital						
Capital Grant		150,000	225,000	225,000		600,000
Private Owner Match		25,100	70,739	69,107		164,946
Public Realm		25,000				25,000
Parks and Gardens Grant						0
Professional Fees		31,687	25,375	25,375		82,437
Inflation and Contingencies		11,656	34,968	46,625		93,249
Total Capital	0	253,543	356,082	366,138		965,663
ii) Revenue Costs						
Revenue shared costs - staffing, PR/promotion, activities, legal/shopfront guides etc		25,000	18,500	19,500		63,000
Total revenue		25,000	18,500	19,500		63,000
Total Project Costs	0	278,543	374,582	385,638		1,028,663

Key Features:

Value Engineering Opportunity	Amount of Saving Realised	Impact on Outcomes
Removal of the Parks and Gardens Grant	£100,000	None directly on the business-related outcomes but will likely make the achievement of the jobs and skills outcomes more difficult.
Reduction of the public realm budget to focus only on grant aiding Mablethorpe BIG Local to undertake public art and interpretation along the promenade	£25,000	No discernible impact other than the inability to do any decluttering on the Mablethorpe High Street. Potential, however, to leverage in at least +£25,000 in match funding.
Translation of £50,000 of grant aid in year two (22-23) to a £5,000 capped pot for signage and decluttering. Launch immediately after receiving GFA.	Cost Neutral but reduces the impact of budgetary reductions on outcomes	+8 Businesses supported and buildings delivered (-2 grant aided buildings for a full scheme, +10 supported in a smaller, less visible way). -£10,100 in match funding.
Removal of first year's capital grant to account for late start. Professional fees/revenue protected as already incurred.	£25,000	-1 business supported and buildings delivered. -£5,050 in match funding
Removal of final year's delivery to shorten the scheme profile	£50,000	-2 businesses supported and buildings delivered -£10,100 in match funding
Year One – Reduction of two projects Year Two – Reduction of three projects Year Three – Reduction of three projects	£200,000	-8 businesses supported and buildings delivered. Year One - -£10,100 in match funding Year Two - -£15,150 in match funding Year Three -£15,150 in match funding
Translation of 50% of the inflation budget for 22-23 into the capital budget (£11,657) and the reduction of the capital budget by that amount.	£11,657	Impact neutral – Though increases the risk posed by the impact of inflation
Translation of 25% of the inflation budget for 23-24 (£11,657) into the capital budget and the reduction of the budget by that amount	£11,657	Impact neutral – Though increases the risk posed by the impact of inflation
Revenue spend re-profile	Cost Neutral	Revenue spend will require re-profiling, alongside final year professional fees. The Revenue spend has been shared equally between the new Y2 and Y3 of a scheme
Total	£423,314	See below

Net Impacts

This reduction will have an unavoidably substantial impact on the outcomes we can claim for the delivery of this project. Principally, a figure of £65,650 will be reduced from the amount of private match funding that we are able to secure. This may not be disastrous – If we can co-invest with Mablethorpe BIG Local on the public realm and if the Grayscroft/ELDC contribution to the Mobi-Hub was counted as part of the Healing the High Street scheme (rather than as a freestanding project), this could reduce the impact.

Similarly, the net impact of -11 buildings would have reduced the scheme from a proposed 35 to 24 buildings. Decreasing the grant amount per building, particularly within the current inflationary context, would also not be desirable as the initial allowance of £25,000 per building was already low and could limit the transformative effect that this project could have. Therefore, the decision to convert £50,000 of grant spend to a ‘light touch’ signage and decluttering pot (with potential central commissioning by HTL) would enable us to limit the impact on outcomes by providing a capped (£5,000) smaller intervention for businesses. This has the added advantage of being quick to mobilise, enabling us to get schemes off the ground quickly after a late start to the project. It also allows us to realise a net gain of 8 businesses/buildings assisted, thus limiting the impact that the fiscal reduction has on the scheme (i.e. a reduction from a proposed 35 buildings to 32 buildings). To make this work we would need to have forward funding from ELDC to enable a direct-intervention approach. The benefits of pump priming the scheme and reduced delivery risks would help alleviate the lost ground in project to date. The impact on other outcomes (for example, skills, jobs) will have to be proportionate and so, are unfortunately still substantial.

Extra Outcomes (Reduction) (Not accounting for Grayscroft)

Outcome	Proposed within the Business Case	Revised following cut in Funding
Number of new Jobs Created (gross)	31	21
Number of Jobs Safeguarded (gross)	25	17
Number of Businesses assisted to improve performance	35	32
Number of learners supported	240	163
Number of new businesses created	17	12