

# Public Document Pack



24<sup>th</sup> February 2021

To: Members of the SCR - Housing and Infrastructure Board and Appropriate Officers

You are hereby invited to a meeting of the Sheffield City Regional Mayoral Combined Authority to be held at **Virtual Meetin**, on: **Thursday, 4 March 2021** at **1.00 pm** for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink, appearing to read "D. Smith".

Dr Dave Smith  
**Chief Executive**



You can view the agenda and papers  
at [www.sheffieldcityregion.org.uk](http://www.sheffieldcityregion.org.uk)  
or use a smart phone camera  
and scan the QR code

## Member Distribution

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Councillor Bob Johnson (Co-Chair) | Sheffield City Council          |
| Gemma Smith (Co-Chair)            | Private Sector LEP Board Member |
| Councillor Glyn Jones             | Doncaster MBC                   |
| Councillor Dominic Beck           | Rotherham MBC                   |
| Councillor Julie Grocutt          | Sheffield City Council          |
| Councillor Tim Cheetham           | Barnsley MBC                    |
| Tanwer Khan                       | Private Sector LEP Board Member |
| Damian Allen                      | Doncaster MBC                   |
| Mark Lynam                        | MCA Executive Team              |

**SCR - Housing and Infrastructure Board**

**Thursday, 4 March 2021 at 1.00 pm**

**Venue: Virtual Meeting**



**Agenda**

| <b>Agenda Ref No</b>   | <b>Subject</b>   | <b>Lead</b>        | <b>Page</b> |
|--|--|--------------------|-------------|
| 1.   | Welcome and Apologies  | Co-Chair           |             |
| 2.   | Declarations of Interest by individual Members in relation to any item of business on the agenda | Co-Chair           |             |
| 3.   | Urgent items / Announcements   | Co-Chair           |             |
| 4.   | Public Questions on Key Decisions  | Co-Chair           |             |
| 5.   | Minutes of Previous Meeting  | Co-Chair           | 5 - 14      |
| 6.   | Programme Approvals  | Ms Sue Sykes       | 15 - 46     |
| 7.   | Emerging South Yorkshire Digital Infrastructure Strategy   | Mr Colin Blackburn | 47 - 66     |
| <b>For Information</b>   |  |                    |             |
| 8.   | Forward Plan   | Mr Colin Blackburn | 67 - 68     |
| 9.   | Any Other Business   | Co-Chair           |             |
| <b>Date of next meeting:</b> Tuesday, 22 June 2021 at 10.00 am<br><b>At:</b> TBC |  |                    |             |

This page is intentionally left blank

# SCR - HOUSING AND INFRASTRUCTURE BOARD

## MINUTES OF THE MEETING HELD ON:

THURSDAY, 7 JANUARY 2021 AT 1.00 PM

## VIRTUAL MEETING



### Present:

|                                   |                                 |
|-----------------------------------|---------------------------------|
| Councillor Bob Johnson (Co-Chair) | Sheffield City Council          |
| Gemma Smith (Co-Chair)            | Private Sector LEP Board Member |
| Councillor Glyn Jones             | Doncaster MBC                   |
| Councillor Dominic Beck           | Rotherham MBC                   |
| Councillor Tim Cheetham           | Barnsley MBC                    |
| Tanwer Khan                       | Private Sector LEP Board Member |
| Damian Allen                      | Doncaster MBC                   |
| Mark Lynam                        | MCA Executive Team              |

### In Attendance:

|                             |   |                    |
|-----------------------------|---|--------------------|
| Colin Blackburn             | Assistant Director - Housing, Infrastructure and Planning | MCA Executive Team |
| Carl Howard                 | Senior Programme Manager                                  | MCA Executive Team |
| Laurie Thomas               | Senior Programme Manager                                  | MCA Executive Team |
| Daniel Wright               | Head of Communications & Marketing                        | MCA Executive Team |
| Garreth Bruff               | Senior Programme Manager                                  | MCA Executive Team |
| Tom Hawley                  |   | Homes England      |
| Andrew Shirt (Minute Taker) |   |                    |

### Apologies:

|                         |                        |
|-------------------------|------------------------|
| Councillor Mazher Iqbal | Sheffield City Council |
|-------------------------|------------------------|

### 1 Welcome and Apologies

The Chair, Gemma Smith welcomed everyone to the meeting.

Apologies for absence were noted as above.

### 2 Declarations of Interest by individual Members in relation to any item of business on the agenda

The Chair declared an interest in the 'Active Travel Bridge' project to be considered at agenda item 8 – 'Getting Building Fund (GBF) programme Project Approvals'.

Councillor Tim Cheetham declared a non-pecuniary interest for Item 8.

### **3 Urgent items / Announcements**

On behalf of the Board, the Chair congratulated Councillor Johnson on recently being elected the Leader of Sheffield City Council.

The Board noted that Councillor Johnson would now be Co-Chair of the Housing and Infrastructure Board, in place of Councillor Dore.

### **4 Public Questions on Key Decisions**

None.

### **5 Minutes of Previous Meeting**

Following the Board's recommendations, the MCA had approved three schemes (Sheffield Heart of the City Breathing Spaces, Rotherham Town Centre Masterplan and Century BIC Phase 2) with a total value of £8.18m from the Getting Building Fund (GBF).

It was agreed that the minutes of the previous meetings of the SCR Housing Board and SCR Infrastructure Board held on 22<sup>nd</sup> October 2020 are an accurate record and may be signed by the representative of the Head of Paid Service.

### **6 Growth Area Economic Blueprints**

C Blackburn introduced a report to provide the Board with an update on progress with preparing the SEP Growth Area Economic Blueprints being developed with Local Authorities and the key emerging priorities for each of the areas.

Members were reminded that the former Infrastructure Board on the 3rd July 2020 resolved to support the development of Economic Blueprints in each of the Growth Areas identified by the Strategic Economic Plan. This work had evolved from a series of SEP workshops undertaken with Local Authorities before the Covid19 outbreak.

The intention of the Economic Blueprints are to provide an integrated 'place based approach' for accelerating the growth and regeneration of the SCR's key Growth Areas; including both setting out the 'vision' for the areas and identifying a robust pipeline of infrastructure scheme 'packages' for each area, which can be ready for delivery as part of the future capital pipeline.

The eight SEP Growth Areas had been identified as follows:

- Doncaster Town Centre, Waterfront & Station Gateway
- Rotherham Town Centre and Growth Corridor
- Sheffield City Centre
- Goldthorpe, Thurnscoe & Bolton upon Dearne
- AMID
- Stainforth Unity
- Barnsley Town Centre
- GatewayEast

The GatewayEast Economic Blueprint had already been developed and endorsed by the LEP.

The Board noted that early draft Economic Blueprints had been developed for: Goldthorpe, Doncaster Town Centre, Rotherham Town Centre, Eastwood and Templeborough and Sheffield City Centre, and work was ongoing with Local Authority officer teams to further develop them. Initial meetings had taken place during December 2020.

The remaining three Economic Blueprints for Barnsley Town Centre, Stainforth/Unity, and AMID, would start to be prepared in January 2021.

The Board noted the 'next steps' were also highlighted and discussed.

The Board welcomed and confirmed their support for the Economic Blueprints.

Due to the cross-over of priorities contained within the Economic Blueprints, the Board suggested that at an appropriate time they should also be presented and discussed with the other three MCA Thematic Boards. **ACTION: C Blackburn**

On behalf of Homes England, T Hawley said that the Agency would be available to provide any help and technical expertise to the MCA and Local Authorities in the co-development stage of the Economic Blueprints.

RESOLVED – That the Housing and Infrastructure Board:

1. Noted the Growth Area Economic Blueprint update summarised in Annex 1.
2. Noted the proposed process and next steps for progressing the further development of the Growth Area Growth Area Economic Blueprints.

## 7 **SCR Housing Fund (Brownfield)**

C Blackburn introduced a report to provide an update on progress with the Housing Fund (Brownfield) and requested the Board's endorsement of the Strategic Business Case for the programme and to give approval for the revenue fund allocations.

The Board was reminded that, in June 2020, the Government had launched 'A New Deal for Britain' which was a key part of the Government's Strategy to rebuild Britain following Covid 19 and support the economic recovery across the UK. As part of this strategy, £40.3m of capital funding and £841k revenue funding had been allocated to the MCA for supporting the development of housing schemes on brownfield land over the next 5 years.

Appendix A to the report provided the Board with the Appraisal Panel summary for the Housing Fund (Brownfield) 5 year Programme Strategic Business Case (SBC) for consideration, with a view to recommending it for approval by the MCA. The SBC included the Early Deliverable pipeline schemes.

The Appraisal Panel had confirmed that, as a whole the Housing Fund

(Brownfield) programme provided good value for money. The programme had an overall Benefit Cost Ratio (BCR) of 1.06, based on the Early Deliverable pipeline of schemes.

The Board noted that, following ongoing work with Local Authority Housing Directors, the schemes listed in paragraph 2.3 of the paper were those that were being progressed as 'Early Deliverable' schemes, some of which were intended for funding approval consideration before the end of March. These include the schemes that had been submitted for funding from MHCLG's Competitive element of the Brownfield Housing Fund. Following an announcement from MHCLG, it was confirmed that the schemes had been unsuccessful.

In advance of the announcement, the MCA Executive had worked with the relevant Local Authority sponsors to work on developing scheme Full Business Cases (FBCs). It was anticipated that some of the schemes would be presented at the next Board meeting for consideration for investment.

The Board's attention was drawn to the table presented at paragraph 2.5 of the report. The table provided Members with the proposed initial revenue allocations to help accelerate business case development of the next pipeline of schemes for 2021/22. The intention was for revenue funding to be capitalised at the point of a capital scheme approval; to be revolved back into the revenue 'pot' to support project development for further housing pipeline schemes in the 5 year programme.

The Board considered and approved the revenue funding allocations set out in paragraph 2.5 for accelerating the delivery of the 2021/22 pipeline schemes.

Members noted that work was ongoing with Local Authorities to develop a 5 year pipeline of schemes, as part of the Fund Conditions was to inform NHCLG by June 2021 of the proposed 5 year programme. Proposals for the pipeline of both capital and revenue schemes would be reported to future Board meetings for consideration.

Following ongoing activity, should it be considered that there may not be sufficient schemes to meet Fund targets and ambitions, consideration would be given to the option of opening up the Fund to wider stakeholders. This approach was welcomed by the Board.

**RESOLVED – That the Housing and Infrastructure Board:**

1. Endorse the Housing Fund (Brownfield) Programme Strategic Business Case (SBC), noting the initial Early Deliverable schemes.
2. Approved the revenue funding allocations set out in paragraph 2.5 for accelerating the delivery of the 2021/22 pipeline schemes.
3. Delegate authority to the Head of Paid service in consultation with the Section 73 Officer and the Monitoring Officer to enter into legal agreement for the business development costs of pipeline schemes.



C Howard introduced a report which requested the Board's approval for two schemes with a value of £2.08m Getting Building Fund (GBF) and to give approval for delegated authority.

On 30th June 2020, the MCA had been awarded £33.6m GBF to invest in 'shovel-ready' projects that will provide stimulus to local economies. The funds needed to be defrayed by 31st March 2022, which allowed an 18-month delivery window.

The Appraisal Panel Summary Table attached at Appendix A to the report asked the Board to take a decision whether to support the proposal of a GBF grant of £0.580m to Barnsley Metropolitan Borough Council to deliver a Goldthorpe Strategic Land Assembly project. The grant would be utilised for land acquisition and associated costs such as legal fees, site surveys and planning application fees for an employment site at Goldthorpe.

The project builds on the M1 Junction 36 Phase 2: Goldthorpe scheme which had been funded through Local Growth Fund to make highways improvement works towards the eastern end of the M1 Junction 36 economic growth corridor.

The GBF project would deliver the first stage of a three stage land assembly strategy and would provide a catalyst for securing up to 99.31 acres through stage 2. Stage 3 for the remaining 77 acres is part of the long term strategy.

The project was considered to have a good strategic fit with the SEP (Strategic Economic Plan) and RAP (Renewal Action Plan). The proposal aims to accelerate delivery of the wider economic development which is consistent with the aims of GBF.

The project was estimated to deliver a Benefit Cost Ratio of 30:1 based on the GBF contribution. On this basis the GBF investment offered good value for money.

The project was considered able to deliver within the GBF timeframe, with some initial activity already underway. Planning permission for the new access roundabout to the site is expected to be submitted in June 2021 and acquisition of land expected to be completed in September 2021.

The project was recommended for approval with conditions of planning approval and completed procurement to satisfy before entry into contract.

**The Board considered and approved the project for award of a £0.580m grant from the GBF.**

**N.B. At this point in the meeting, the Co-Chair, Councillor Johnson assumed the position as Chair for the Board's consideration of the 'Active Travel Bridge' project.**

**G Smith took no part in the discussion or voting thereon.**

The Appraisal Panel Summary Table attached at Appendix B to the report asked the Board to take a decision whether to support the proposal of a GBF grant of £1.5m to Barnsley Metropolitan Borough Council to deliver an active travel bridge over the railway linking Penny Pie Park and Pogmoor Recreation Ground to complement and enhance the delivery of the approved A628 Dodworth Road/Broadway Junction Improvement scheme.

The bridge aimed to open green spaces for local residents, improve a housing sites viability and provide a safe crossing point for school children and other members of the general public.

The grant would cover fees, procurement and construction costs.

The project was considered to provide a good strategic fit with the RAP and SEP. The assessment had accepted that the bridge would positively contribute to marketing of the Barugh Green Road site and assist in unlocking the site for housing and employment.

Overall, the project would represent a Benefit Cost ratio of 16.4 to 1. On this basis the GBF investment offered good value for money.

The assessment considered the milestones and dependencies to be realistic, with key dependencies of achieving planning permission (expected December 2020) and formal agreement of Network Rail (expected July 2021).

The project was recommended for approval with conditions of planning approval and Network Rail agreement to satisfy before entry into contract.

**The Board considered and approved the project for award of a £1.5m grant from the GBF.**

RESOLVED – That the Housing and Infrastructure Board considered and approved:

- 1) The project 'Goldthorpe Strategic Land Assembly' for award of £0.580m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix A.
- 2) The project 'Active Travel Bridge' for award of £1.5m grant from the Getting Building Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at Appendix B.
- 3) Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes covered above.

**N.B. At this point in the meeting, the Co-Chair, G Smith re-assumed the position as Chair of the meeting.**

9

## **South Yorkshire Flood Programme And Catchment Based Plan**

C Blackburn introduced a report to provide the Board with an update on South Yorkshire's flood risk priorities and consideration of the scope of a South Yorkshire Wide Catchment Plan.

The Board noted that, following the November 2019 floods, the Mayor and South Yorkshire Local Authorities Leaders jointly submitted a Business and Infrastructure Resilience Flood Priority Programme for South Yorkshire with an investment ask of £271m to protect over 2,800 businesses and 10,300 homes. The Programme was shaped by lessons learned from the flooding in November 2019 and was designed to invest in new infrastructure and natural flood management measures to mitigate this type of flood event from happening again.

Since then discussions had taken place between the Mayor/Leaders and the Government which culminated in a South Yorkshire Flooding Roundtable hosted by the Secretary of State on the 8th October 2020.

Following the Flooding Roundtable in October with the Secretary of State, the Mayor and Leaders submitted a package of 'shovel ready' schemes (could start on site within two years) to the Secretary of State for funding support, which it was proposed would be supplemented by £5.5m of MCA investment. A response on this proposal from the Secretary of State was awaited.

The Board suggested that a reminder letter be sent by the MCA to Secretary of State to ascertain if funding support would be available. **ACTION: C Blackburn.**

The Board was informed that the Environment Agency (EA) programme incorporated 26 of the 27 South Yorkshire Priority Programme schemes including work to address severely flood affected areas like Bentley and Fishlake, as well as a £40million Nature Based Solutions programme covering the whole Don catchment.

The Government had announced a doubling of investment for flood defence schemes, known as Grant in Aid (GiA), in its March 2020 budget. Nationally, this will see £5.2 billion of investment over the next 6 year programme between April 2021 and to March 2027. In light of this, the Environment Agency (EA) had been working with local authorities to refresh its spending programme for South Yorkshire.

More details will be available in early 2021 on the revised funding programme and the sequencing of the investment over the six year programme period. The programme would be refreshed each year to take account of changes to projects, manage emerging risks and capitalise on any new opportunities.

Annex 2 to the report set out an early draft Scope for preparing a new Catchment Wide Flood Plan for South Yorkshire led by the Environment Agency, in conjunction with the MCA Executive, local authorities and other key stakeholders.

The aim in the first instance would be to develop a draft Plan by early Summer, with key milestones being reported to future meetings of this Board for input and comment.

It was proposed that the Housing and Infrastructure Board and the South

Yorkshire Flood Risk Partnership Board would be the key partnership Board's which would provide input as the Catchment Wide Flood Plan is developed.

The Board welcomed the collaborative approach being taken to develop the Catchment Wide Flood Plan. The Board noted that there was a funding gap and queried if the prioritisation of the 27 schemes would be based on those which could be delivered the fastest. Furthermore, the Board queried if there were schemes within the programme which were not currently 'shovel-ready' and considered to be a critical scheme.

In response, C Blackburn said that there were nine of the twenty-seven priority schemes within the programme which could be delivered within the next 2 years, subject to funding, but other schemes would take longer. There was therefore a mixture of large scale schemes and quick-win schemes within the programme.

Work was currently being undertaken to progress the business cases for all the priority schemes.

The Board stated that efforts should be a focused on natural flood defences wherever possible.

**RESOLVED – That the Housing and Infrastructure Board:**

1. Noted the progress on South Yorkshire's flood priority programme and the next steps in this work.
2. Commented on the scope for preparing a South Yorkshire wide catchment based flood plan.

10

## **Infrastructure Performance Dashboard**

C Howard introduced a report and accompanying performance dashboard to provide Board Members with up to date performance information on the Infrastructure programme delivered on behalf of the LEP and MCA.

The Board noted that the MCA was continuing to complete the delivery of the Infrastructure package of investment that currently comprised of 49 schemes.

The Board was made aware that three schemes had indicated that the impact of Covid would mean that they are at a high risk of not meeting their spend target for the year and therefore submitted change requests to move a proportion of their claims into 2021/22. The change requests had been agreed by the MCA on 16<sup>th</sup> November 2020.

A further two projects had been identified as being at Amber/Red Risk due to the delays incurred as a result in the Covid-19 pandemic. A total of twelve projects had been identified as being at amber risk.

Assurance was provided that monthly reviews with all project partners were being undertaken with regards to the impact of the Covid-19 crisis and all red, red amber risks on spend, delivery and outcome profiles, with change control applied as necessary. Monthly review returns were expected to be received

from all delivery partners on Friday 8<sup>th</sup> January 2021, to confirm (or otherwise) if their schemes were still on-target to complete delivery by 31<sup>st</sup> March 2021.

The Board requested that assurance be circulated by email to confirm if all outstanding infrastructure schemes were still on-target to complete delivery by 31<sup>st</sup> March 2021. **ACTION: C Howard.**

The Board noted that Getting Building Fund (GBF) dashboards would be presented at future Board meetings.

The Board asked if the format of the Infrastructure Dashboard could be amended to allow the document to be printed on A4 paper. **ACTION: C Howard.**

RESOLVED – That the Housing and Infrastructure Board scrutinised the performance information provided.

#### 11 **Forward Plan**

C Blackburn presented the Board's Forward Plan for Members' information.

RESOLVED – That the Housing and Infrastructure Board noted the contents of the Board's Forward Plan.

#### 12 **Any Other Business**

Councillor Cheetham asked if consideration could be given to allow local authority officers to attend and observe future Board meetings in order to provide support to their elected Members.

The Board agreed that consideration of this request should be undertaken by the Co-Chairs in liaison with the MCA Executive. **ACTION: G Smith, Cllr Johnson. & Mark Lynam**

In accordance with Combined Authority's Constitution/Terms of Reference for the Board, Board decisions need to be ratified by the Head of Paid Services (or their nominee) in consultation with the Chair of the Board. Accordingly, the undersigned has consulted with the Chair and hereby ratifies the decisions set out in the above minutes.

Signed .....

Name .....

Position .....

Date .....

This page is intentionally left blank

## HOUSING AND INFRASTRUCTURE BOARD

4<sup>th</sup> March 2021

### GBF (GETTING BUILDING FUND) AND BHF (BROWNFIELD HOUSING FUND) PROGRAMME PROJECT APPROVALS

#### Purpose of Report

The paper seeks approval for six schemes with a total value of £9.794m grant and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

#### Freedom of Information

The paper will be available under the Combined Authority Publication Scheme.

#### Recommendations

The Board is asked to consider and approve:

1. The project 'Barnsley Town Centre Public Realm – Peel Square' for award of £1.755m grant from the Getting Building Fund subject to the conditions set out in the Assurance Panel Summary Table attached at **Appendix A**
2. The project 'Doncaster Town Centre Quality Streets' for consideration at the MCA (Mayoral Combined Authority) for award of £5.5m grant from the Getting Building Fund subject to the conditions set out in the Assurance Panel Summary Table attached at **Appendix B**
3. The project 'West Bar' for award of £0.655m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary Table attached at **Appendix C**
4. The project 'Malthouses' for award of £1.1m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary Table attached at **Appendix D**
5. The project 'Porterbrook' for award of £0.350m grant from the Brownfield Housing Fund subject to the conditions set out in the Assurance Panel Summary Table attached at **Appendix E**
6. The project 'RMBC – Small Sites' for award of £0.434m grant from the Brownfield Housing Fund subject to the conditions set out in the Appraisal Panel Summary Table attached at **Appendix F**
7. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for schemes 1, 3, 4, 5 and 6 covered above.

## 1. Introduction

- 1.1 On 30th June 2020 the MCA was awarded £33.6m GBF to invest in 'shovel-ready' projects that will provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which allows an 18-month delivery window.

To date £13.326m grant has been approved across eight projects, with a further £7.255m for consideration in two projects presented in this paper. Four remaining projects are still to complete development and come forward for an approval decision.

Guidance received from Government states that Sheffield City Region will be expected to deliver the agreed projects and any significant changes to the projects will be discussed and agreed with the Government in advance. All investment decisions must be undertaken in line with locally agreed audit and scrutiny arrangements.

- 1.2** The MCA received confirmation of £40.34m BHF award on 22<sup>nd</sup> of December 2020 with the aim of creating more homes by bringing more brownfield land into development. The Fund aims to ease viability issues that brownfield projects face alongside wider interventions aimed at economic development.

This paper requests approval of the first four BHF projects with a total value of £2.539m schemes subject to the conditions set out in the Appraisal Panel Summary Table.

## **2. Proposal and justification**

### **2.1 Peel Square (GBF)**

A GBF grant of £1.755m is requested by BMBC (Barnsley Metropolitan Borough Council) for renewal and diversification of the commercial and economic activity within Barnsley Town Centre. Peel Square will be re-established as a historic town space with a simple square that re-defines this area as a key space for the town. The work includes the removal of stalls and clutter to open up views of the buildings and creating a flexible event space with opportunities for pop up stalls.

- 2.2** The project has a clear rationale and aligns to the SEP (Strategic Economic Plan) and RAP (Renewal Action Plan). The risk around COVID both in the delivery of the capital works and the future use of the Town Square are considered. The project is designed to create flexible town centre space which should help mitigate any longer term impact of COVID.

The project is considered able to deliver within the GBF timeframe, with planning in place and a contractor already procured. Works are expected to be completed towards the end of 2021.

The Benefit Cost Ratio (BCR) of the project is anticipated to be up to 1.94, which represents nearly £2 of benefit for every £1 of public money invested. This is considered to represent acceptable value for money.

- 2.3** The project is recommended for approval with a condition of delivery being to agree to undertake a suitable evaluation on completion.

### **2.4 Doncaster Town Centre – Quality Street (GBF)**

A GBF grant of £5.5m is sought from DMBC (Doncaster Metropolitan Borough Council) for continued delivery of the Doncaster Quality Streets programme to support and enable new investment in the town's urban employment and residential development zones. The scheme includes a mix of traffic management, street lighting, junction improvements, active travel provision, landscaping and environmental improvements, as well as the provision of new digital infrastructure.



The overall aim of the scheme is to develop a streetscape that is suitable for all road users and caters for the urban centre through supporting pedestrians, bike users, disabled and buses in a safer environment.

The project has also applied for £3.5m from the TCF (Transforming Cities Fund) which is being considered by the Transport thematic board prior to the full £9m request being passed to the MCA for a decision on March 22<sup>nd</sup> 2021.

- 2.5** The project explains how it meets Doncaster's Inclusive Growth Strategy, their Cycling strategy and local plan. It also aligns with the objectives of the Transforming Cities Fund and SEP (Strategic Economic Plan). The project is deliverable, with budget approvals set for March 2021, preliminary works and procurements due to begin immediately and the Council planning to utilise in-house suppliers where possible. The project proposes to create 400 jobs over a ten year period.

The project presents a benefit cost ratio of 1.7:1. Independent assurance of the business case accepts that the calculation is sufficiently detailed and uses robust methodologies. Therefore the project is considered acceptable value for money.

- 2.6** The project is recommended for approval to go on to the Mayoral Combined Authority meeting for a final decision at the March 22<sup>nd</sup> meeting. A condition of delivery is recommended within the assurance panel summary to agree to undertake a suitable evaluation on completion.

**2.7 West Bar (BHF)**

A grant of £0.655m is sought from SCC (Sheffield City Council) for the West Bar (Bridge Street Highways, Infrastructure and Enabling Works) project which will deliver a new highway retaining wall and road layout to facilitate 2-way traffic on Bridge Street junction with the Inner Ring Road (IRR), Openreach diversion works at Bridge Street and demolition works to clear the West Bar site to enable the construction works.

This work is part of a larger £150 million development to be delivered in partnership with the private sector. Undertaking this work will assist towards enabling the delivery of 368 new private rented housing units, 430m<sup>2</sup> of commercial floorspace and 5,500m<sup>2</sup> of associated high quality public realm.

- 2.8** The project fits well with the Councils' New Homes delivery plan and meets the objectives of the SEP around the themes of 'Vibrant and Resilient Places' and 'Land, Housing and the Built Environment'. The project has identified some delivery risks regarding cost increases with mitigations already in place to minimise the impact on the project. Independent assurance has concluded that the project represents good value for money. The assessment estimates that the uplift in land value is £2.7m. This represents a BCR of over 4.

- 2.9** The project is recommended for approval with a condition to monitor the adequate progression of the scheme into delivery. The project is also asked to provide further explanation around why the national rules on subsidy control are not applicable in this project.

**2.10 Malthouses (BHF)**

Sheffield Housing Company is seeking a grant of £1.097m for the Malthouses scheme. The scheme aims to deliver 73 new two, three and four bed homes on brownfield ex-housing land in Parson Cross, Sheffield. The funding being sought is to fund the difference between the anticipated Gross Development Value and the higher Gross Development Cost of the scheme.

**2.11** The project will deliver 3.65% of the local housing annual target and meets the objectives of the SEP around the themes of 'Vibrant and Resilient Places' and 'Land, Housing and the Built Environment'. The project has identified key delivery risks of changes in costs or sales which may affect overall profitability. These risks are mitigated by the applicant's local experience and having a strong sales strategy in place. The timeline of project delivery looks realistic, with construction works anticipated to begin in June 2022. Independent assurance has concluded that the project represents acceptable value for money. The assessment estimates that the uplift in land value is £1.298m. This represents a BCR of 1.18.

**2.12** The project is recommended for approval with a condition to monitor any excess profits, which if realised should be partly used to repay grant. The project is also asked to provide further explanation around why the national rules on subsidy control are not applicable in this project.

**2.13 Porter Brook (BHF)**

Sheffield City Council are seeking £0.350m for site clearance of the Porter Brook site within the Cultural Industries Quarter of the Sheffield City Centre. The project focuses on the demolition of a two-storey building on the Porter Brook site which is currently used for car parking, to provide a cleared site that is ready for development. The applicant owns the freehold to the site and has secured vacant possession of premises.

Once the site is cleared, Sheffield City Council will seek developer interest for housing targeted at young professional workers, potentially via a build-to-rent development. The site is estimated to have the potential to accommodate up to 200 one- and two-bedroom apartments.

**2.14** The project is assessed to have a clear rationale with previous attempts at private sector development unsuccessful. With the Council undertaking the preparatory work this will bring the scheme forward in delivery by an estimated two years. Risks are considered in relation to the wider development of the site. The scheme is estimated to deliver a BCR of 1.4 and is therefore considered acceptable value for money. Other indirect outcomes such as improving the local labour pool or increasing the visual benefits from the area being enhanced may also add additional value to the scheme.

**2.15** The project is recommended for approval with conditions to adequately monitor the progression of the scheme. Further risk register information is requested which deals with risks related to the demolition and site clearance.

**2.16 RMBC Small Sites**

Rotherham Metropolitan Borough Council request £0.434m to enable the development of affordable housing on existing brownfield sites. As part of the Council's Housing Development Programme, 32 homes for rent will be delivered across three schemes, comprising nine Housing Revenue Account (HRA) owned sites. Scheme 1 focuses on delivering 14 bungalows across two sites, scheme 2 is in East Herringthorpe with plans to deliver 13 houses across 5 sites and scheme 3 is in Thrybergh, delivering 5 houses across 2 sites.

MCA funds are requested to contribute towards land remediation and preparation prior to housing development to help address the viability gap for the sites in question.

**2.17** The project meets RMBC's local policies and will assist towards meeting annual Council targets. It also contributes towards the themes within the SEP aiming to improve the quality of existing and new housing stock. The project is estimated to have a BCR of 1.3 which is considered acceptable value for money. Additional national guidance to value the benefits of regeneration indicate that more than £1.5m of indirect benefits may arise from

the investment. Scheme 1 is considered delivery ready, with future schemes planned to take place at a slightly later date.

- 2.18** The project is recommended for approval with conditions to adequately monitor the progression, particularly the delivery of schemes 2 and 3.

### **3. Consideration of alternative approaches**

- 3.1** The BHF projects presented in the paper have been accelerated through the Assurance Framework for consideration at FBC (Full Business Case) stage. An alternative approach of the projects submitting OBC (Outline Business Cases) prior to developing FBC's would likely result in the early schemes not being accelerated as planned, and jeopardising future programme spend.

### **4. Implications**

#### **4.1 Financial**

For GBF the expenditure target is £33.6m to be fully spent by the end of the 21/22 financial year. BHF has a target of £20m spend by the end of 21/22 financial year. Unspent funding could be returned to Central Government.

#### **4.2 Legal**

Conditions of approval on the housing projects request that grant recipients take professional advice over whether schemes meet national rules on acceptable public subsidies.

#### **4.3 Risk Management**

Delivery risks on the schemes overall costs are covered through conditions attached in the appendices. Risks and Issues management is reported regularly to the MCA Executive as part of contract monitoring.

High risk schemes will continue to be monitored and any changes will be reported back to the Housing and Infrastructure Board and MCA.

#### **4.4 Equality, Diversity and Social Inclusion**

Projects are required to provide schedules of inclusive growth indicators and targets which are incorporated into schemes.

### **5. Communications**

- 5.1** The business case for these schemes presents opportunities for positive communications; officers from the MCA Executive Team will work with the relevant officers on joint communications activity at the appropriate time.

### **6. Appendices/Annexes**

- 6.1** Appendix A – Peel Square Assurance Panel Summary  
Appendix B – Quality Streets Assurance Panel Summary  
Appendix C – West Bar Assurance Panel Summary  
Appendix D – Malthouses Assurance Panel Summary  
Appendix E – Porter Brook Assurance Panel Summary  
Appendix F – Rotherham Small Sites Assurance Panel Summary

|                      |  |
|----------------------|--|
| <b>REPORT AUTHOR</b> | <b>Carl Howard</b>                       |
| <b>POST</b>          | <b>Senior Programme Manager</b>          |
| Officer responsible  | Gareth Sutton                            |
| Organisation         | Sheffield City Region                    |
| Email                | Gareth.sutton@sheffieldcityregion.org.uk |
| Telephone            | 0114 220 3442                            |

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references:

## Appraisal Panel Summary

### Scheme Details

|                            |                |                          |            |
|----------------------------|----------------|--------------------------|------------|
| <b>Project Name</b>        | Peel Square    |                          |            |
| <b>Grant Recipient</b>     |                |                          |            |
| <b>SCR Executive Board</b> | Infrastructure | <b>MCA Funding</b>       | £1,755,000 |
| <b>% SCR Allocation</b>    | 76.89%         | <b>Total Scheme Cost</b> | £2,282,555 |

### Appraisal Summary

|  |
|--|
| <b>Project Description</b>   |
| <p>Barnsley Metropolitan Borough Council (BMBC) is investing in the renewal and diversification of commercial and economic activity within Barnsley town centre. The overall vision for a 'Better Barnsley' is long-held – and is outlined in the aims of the Town Centre Prospectus (2014): the blueprint for diversification and sustainable growth.</p> <p>Peel Square sits at the north west edge of the town centre. The area currently has a range of small retail outlets, a supermarket and Job Centre Plus. There are a number of designated heritage assets, namely Grade II listed properties at 1 and 3 Peel Square.</p> <p>The proposed development seeks to enhance the historic town centre by removing market stalls and street furniture to improve its importance and the setting of listed buildings. The existing underground Victorian toilets are permanently closed to the public and above ground structures removed to create a simple, flexible public space which can accommodate pop-up markets and events.</p> <p><b>Peel Square will be re-established as a historic town space, with:</b></p> <ul style="list-style-type: none"> <li>▪ A simple square that re-defines this area as a key space for the town;</li> <li>▪ The removal of stalls and clutter to open up views of the fantastic buildings; and,</li> <li>▪ A flexible event space with opportunities for pop up stalls.</li> </ul> <p>The proposed investment will create a high quality public realm which will have significant benefits for Town Centre's economic performance. The enhancements to the public realm are the result of extensive consultation with local stakeholders and will create distinctive and accessible spaces and streets which will also have benefits for the wider built environment. The project will deliver a complete refurbishment of the square and the specification for the work includes re-surfacing, lighting, signage and drainage.</p> <p>A grant of £1,755,000 is sought from SCR's Getting Building Fund and will pay for the following activities:</p> <ul style="list-style-type: none"> <li>▪ Removal of existing market stalls;</li> <li>▪ Removal of below ground public toilets and mass fill void;</li> <li>▪ Install services for stall power boxes;</li> <li>▪ Install hostile vehicle mitigation measures;</li> <li>▪ Prepare ground for and install agreed surface finish; and,</li> <li>▪ Refurbishment of existing disabled toilet on the boundary of Peel Square.</li> </ul> <p>The project will deliver a complete refurbishment of the square and the specification for the work includes re-surfacing, lighting, signage and drainage.</p> |
| <b>Strategic Case</b>  |
| <p>The Applicant has presented a clear rationale of improving use and attractiveness of public space for trading and public events, encourage longer time spent in the area, and therefore greater economic spend. This rationale is part of a wider plan to improve the town centre.</p> <p>The scheme aligns to SEP by enabling economic growth, the scheme is providing opportunities to all (inclusive) and is improving the place to be a safe retail opportunity, using the highest quality natural materials (sustainability).</p>  |

The Applicant has included SMART objectives split into short term (delivery-specific) and long term (scheme-specific). Scheme-specific include average spend per person targets by 2030, safety survey results and key dates for use of the space. Further work could be done to attach realistic metrics to the scheme including usage and utilisation.

The Applicant has provided a limited assessment of the options, with none of the alternative expected to provide the desired outcomes. A more robust business cases would consider an alternative approach to secure the outcomes, however this limitation does not undermine the Preferred Way Forward.

### **Value for Money**

Overall, the Economic assessment has been undertaken adequately, in a proportionate and relevant manner given the scope and project type.

The Economic Case appraisal has been undertaken in line with relevant guidance using the Barnsley Growth Model to determine levels of GVA uplift given expected changes in employment in the area as a result of the scheme. Additionality, Displacement and Leakage have been taken into account.

Two BCRs of 1.76 and 1.94 have been presented indicating the GVA benefit and the GVA benefit with net Amenity impacts included, respectively. The BCRs provided demonstrate 'medium' value for money.

### **Risk**

The allocation of risk is proportionate for a scheme at FBC, with many of the uncertainties which arise through the scheme design process resolved. The main cost uncertainty relates to removal of below ground toilet facilities. COVID is highlighted as a risk in term of the timing for delivery of the scheme, then also for the use of the Town Square. BMBC have indicated they will following the latest Government guidelines.

### **Delivery**

A plan is in place including Governance structure - regular board meetings with all required stakeholders, a list of risks and mitigations, and a plan for succession planning. Some of the content could be made more scheme specific, but overall it is considered that the Governance is in place as part of the wider Masterplan to successfully manage the scheme.

Key Milestones and Delivery Constraints/Risks have been mapped and dated to be able to understand the key points during the delivery timeframe.

Procurement is planned to be a variation to existing competitive tender for the Glass Works, carried out by Henry Boot Construction Limited. This is a scheme requiring similar skillsets for delivery, so it is acknowledged that this may provide benefits in terms of economies of scale and deliverability considering timescales.

Clear timescales are outlined, with enabling works by March 2021, Demolition by May 2021, Landscaping by July 2021 and Completion of Service Diversions by November 2021.

All statutory requirements have been complete, and the scheme has tender price returns. The scheme is ready to be delivered.

### **Legal**

There are no State Aid concerns regarding this application, with all works set to be undertaken by Barnsley Metropolitan Borough Council. All works are to take place on land or highway owned by the Council.

## Recommendation and Conditions

|  |  |
|--|--|
| <b>Recommendation</b>  | Progress to Contract Award subject to conditions |
| <b>Payment Basis</b>   | Payment on defrayal                              |
| <b>Conditions of Award (including clawback clauses)</b>  |  |
| <p><i>The following conditions must be satisfied before contract execution.</i></p> <p><i>The following conditions must be satisfied before drawdown of funding.</i></p> <p><b>The following conditions must be included in the contract</b></p> <p><i>BMBC to work with the MCA to ensure suitable Monitoring and Evaluation is undertaken.</i></p> |  |

## Record of Recommendation, Endorsement and Approval

### Peel Square

| Appraisal Panel Recommendation   |                                     | Board Endorsement  |  | MCA Approval              |  |
|----------------------------------|-------------------------------------|--|--|---------------------------|--|
| Date of Meeting                  |                                     | Date of Meeting  |  | Date of Meeting           |  |
| Head of Paid Service or Delegate | Ruth Adams<br>Deputy CEX            | Endorsing Officer (Board Chair)  |  | Approving Officer (Chair) |  |
| Signature                        |                                     | Signature  |  | Signature                 |  |
| Date                             |                                     | Date   |  | Date                      |  |
| S73 Officer or Delegate          | Simon Tompkins<br>Finance Manager   | <b>Statutory Finance Officer Approval</b><br><br><b>Name:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |  |                           |  |
| Signature                        |                                     |  |  |                           |  |
| Date                             |                                     |  |  |                           |  |
| Monitoring Officer or Delegate   | Steve Davenport<br>SCR CA Solicitor |  |  |                           |  |
| Signature                        |                                     |  |  |                           |  |
| Date                             |                                     |  |  |                           |  |



## Assurance Panel Summary

### Scheme Details

|                            |  |                          |        |
|----------------------------|--|--------------------------|--------|
| <b>Project Name</b>        | Quality Streets - Active Travel and Digital Infrastructure |                          |        |
| <b>Grant Recipient</b>     | Doncaster Metropolitan Borough Council                     |                          |        |
| <b>MCA Executive Board</b> | Infrastructure and Transport and Environment               | <b>MCA Funding</b>       | £9.0m  |
| <b>% MCA Allocation</b>    | 95%  | <b>Total Scheme Cost</b> | £9.45m |

### Appraisal Summary

| <b>Project Description</b>   |
|--|
| <p>Doncaster Town Centre Quality Streets - Active Travel and Digital Infrastructure Programme will see the continued delivery of the Doncaster Quality Streets programme to support and enable new investment in the town's urban employment and residential development zones; linking the City Gateway to the Civic and Cultural Quarter. The scheme includes a mix of traffic management, street lighting, junction improvements, active travel provision, landscaping and environmental improvements, as well as the provision of new digital infrastructure.</p> <p>The overall aim of the scheme is to develop a streetscape that is suitable for all road users and caters for the urban centre through supporting pedestrians, bike users, disabled and buses in a safer environment.</p> <p>The funding will be used for the costs associated with the delivery of the overall scheme with an estimated square meterage of 15,893m<sup>2</sup>. Infrastructure improvements include:</p> <ul style="list-style-type: none"> <li>• Cycle lanes</li> <li>• Highway improvements including single carriageway and road narrowing</li> <li>• Public realm improvements</li> <li>• Improved bus stops and real time information points</li> <li>• Installation of ducting to enable digital infrastructure provision to improve digital connectivity</li> </ul> <p>Upon completion the scheme will deliver 1.4km of cycle lanes on Wood Street, Cleveland Street, Duke Street and St Sepulchre Gate providing the connectivity for cyclists from Civic and Cultural Quarter to the Station Forecourt.</p> <p>The highway improvements include narrowing the highway to accommodate the new cycle lanes across all four streets, Wood Street one way from Prince Gate towards Cleveland Street, Cleveland Street bus gate remains and becomes one way outbound, relocating the location of the taxi rank on St Sepulchre Gate and removal on pay and display parking on Duke Street and Wood Street.</p> <p>St Sepulchre Gate, Duke Street, Cleveland Street and Wood Street will all benefit from public realm improvements which will include new paving, wider footpaths, trees, new lighting, CCTV to create an environment where residents and visitors choose to return to.</p> |
| <b>Strategic Case</b>  |
| <p>The Applicant has made clear references to the relevant Strategic objective, including: TCF objectives, SCR Transport Strategy objectives and aims and the 2020-2040 Growth Plan. The business case also sets out the contribution the scheme makes to Doncaster's own policies including the Doncaster Inclusive Growth Strategy, as well as being aligned to the Doncaster Growing Together, Doncaster's 2020 Cycling Strategy and Doncaster Local Plan (2015-2035).</p> <p>There are short term (2 years after completion) goals which are to increase cycling and create a cycling culture, as well as increasing football in the area by between 2% and 4%. The business case also sets</p>  |

out medium term (5 years after completion) goals to increase footfall to the area by a range of 10% to 15%.

The scheme objectives do not capture all of the outcomes of the scheme, for example there are a number of wider impacts which have not been reflected as SMART objectives and are important for the economic case eg, increases in spending as a result of the public realm improvements and increase footfall. This weakness is not critical, but should be considered in the monitoring and evaluation of the scheme.

### Value for Money

Overall, the economic case provides sufficient detail and robust methodologies through the use of AMAT and VURT tools.

The Applicant presents a Core BCR of 1.7 : 1 and has undertaken sensitivity testing to consider the key areas of risk. The Applicant has tested:

- A 25% reduction in trips in both the do minimum and do something has been undertaken to understand the potential impact on the BCR. This reduction lead to a BCR of 1.34 : 1
- Low level and high level uplift factors have also been used in AMAT to determine the impact of both High and Low response to the scheme.

The sensitivity testing includes consideration COVID-19 and has been undertaken in AMAT as part of the appraisal.

Some consideration should be made around the values that are provided within VURT as the underlying assumption in the tool are likely to overestimate the benefits which are realised in different places. As the majority of the benefits are derived from the active travel benefits, this limitation of local values is not considered critical. AMAT has been undertaken using recognised data sources and methods with the costs also being processed through this tool. The benefits and costs produced are therefore following TAG and have good analytical assurance.

COVID-19 sensitivity testing has been undertaken in AMAT as part of the appraisal. A 25% reduction in trips in both the do minimum and do something has been undertaken to understand the potential impact on the BCR.

Low level and high level uplift factors have also been used in AMAT to determine the impact of both High and Low response to the scheme.

It should be noted that the assessment of traffic impacts has been based on current year traffic count data for an average 07:00-19:00 period which may not pick-up peak traffic points where capacity constraints are likely to be at their highest i.e. by spreading the assessment across the day the peaks are dampened.

A high-level approach to calculating jobs and GVA has been included in the submission. This provides a broad-brush assumption to provide a ballpark figure for uplift in jobs and GVA. Displacement and additionality have not been taken into account therefore the figures have a very low analytical assurance. These wider economic benefits have not been included in the BCR but are considered as part of the overall Value for Money.

### Risk

The top 5 risks have been highlighted and mitigated, and a full list has been supplied in Appendix U. The top risk is identified as a failure to consult with stakeholders, leading to lack of up-take. The ongoing engagement of DMBC Corporate Communications is identified as the mitigation action which reduces the risk to an acceptable level. It will be important for DMBC to ensure this activity takes place. Other risks include typical events for a scheme of this nature, e.g. cost increase and delays due to Covid.

The risks are appropriately identified, and mitigations briefly described. 15% of total cost has been allocated for risk/contingency. However, there is no explanation of how risks will be managed or the

processes that will be followed. This is a weakness of the business case and DMBC will need to ensure risk management is part of project delivery.

Inbound bus routes will be impacted as part of the scheme, however these diversions were also in place during the Covid-19 Town Centre Emergency Access arrangements, with no negative impact on buses. The council will engage with SYPTE and bus operators to test if proposed routes are fit for purpose.

This assumption that disruption to a route during Covid-19 will have the same effect in the long term when traffic returns to long term levels is suspect and more analysis should be done around this.

### **Delivery**

The Major Projects Board is accountable to the Council's leadership for PM. A designated PM will be responsible for the overall delivery, supported by internal service partners. The project will be monitored daily, and progress meetings held once works commence on site.

Key milestones are set out in 7.1, including dependencies and dates. Public consultation has been indicated as Sep 2020 to Feb 2021 (in the past), and dates set out for TROs that are required. Dates proposed seem to be realistic for the project.

The council plans to utilise existing in-house suppliers to deliver the majority of the work – any additional work will be procured in line with Contract Procedure Rules and Public Contract Regulations (2015). Specialist contractors will be required for the connection of new lighting columns and CCTV cameras.

The Applicant sets out that pre-start preliminary works can commence following funding approval. These include statutory services surveys, planning in any redirection of statutory services and Traffic Regulation Orders (TRO) process commencement.

The financial case costs have been well evidenced using a schedule of costs although no project specific inflation has been included which could be further justified. £450k has been confirmed in corporate match funding

### **Legal**

The funding applicant and the site owner is a local authority and the proposed scheme does not meet one of the prescribed State Tests of 'Affecting Trade between Member States', therefore State Aid Rules do not apply.

## **Recommendation and Conditions**

|   |  |
|---|--|
| <b>Recommendation</b>                                   | Contract award, subject to Conditions of Award |
| <b>Payment Basis</b>                                    | Payment on defrayal                            |
| <b>Conditions of Award (including clawback clauses)</b> |  |

***The following conditions must be satisfied before contract execution.***

None.

***The following conditions must be satisfied before drawdown of funding.***

None.

**The following conditions must be included in the contract**

DMBC to work with SCRMCA to undertake monitoring and evaluation of the scheme in line with Getting Build Fund and Transforming Cities Fund requirements.

## Record of Recommendation, Endorsement and Approval

### Quality Streets

| Appraisal Panel Recommendation   |                                     | Board Endorsement  |  | MCA Approval              |  |
|----------------------------------|-------------------------------------|--|--|---------------------------|--|
| Date of Meeting                  |                                     | Date of Meeting  |  | Date of Meeting           |  |
| Head of Paid Service or Delegate | Ruth Adams<br>Deputy CEX            | Endorsing Officer (Board Chair)  |  | Approving Officer (Chair) |  |
| Signature                        |                                     | Signature  |  | Signature                 |  |
| Date                             |                                     | Date   |  | Date                      |  |
| S73 Officer or Delegate          | Simon Tompkins<br>Finance Manager   | <b>Statutory Finance Officer Approval</b><br><br><b>Name:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |  |                           |  |
| Signature                        |                                     |  |  |                           |  |
| Date                             |                                     |  |  |                           |  |
| Monitoring Officer or Delegate   | Steve Davenport<br>SCR CA Solicitor |  |  |                           |  |
| Signature                        |                                     |  |  |                           |  |
| Date                             |                                     |  |  |                           |  |

This page is intentionally left blank

## Assurance Panel Summary

### Scheme Details

|                            |   |                          |          |
|----------------------------|---|--------------------------|----------|
| <b>Project Name</b>        | West Bar (Bridge Street Highways, Infrastructure and Enabling Works), Sheffield |                          |          |
| <b>Grant Recipient</b>     | Sheffield City Council  |                          |          |
| <b>MCA Executive Board</b> | Housing & Infrastructure  | <b>MCA Funding</b>       | £655,000 |
| <b>% MCA Allocation</b>    | 100%  | <b>Total Scheme Cost</b> | £655,000 |

### Appraisal Summary

| <b>Project Description</b>  |
|---|
| <p>The West Bar (Bridge Street Highways, Infrastructure and Enabling Works) development will deliver:</p> <ul style="list-style-type: none"> <li>• a new highway retaining wall and road layout to facilitate 2-way traffic on Bridge Street junction with the Inner Ring Road (IRR);</li> <li>• Openreach diversion works at Bridge Street; and,</li> <li>• demolition works to clear the West Bar site, to enable the construction works.</li> </ul> <p>This work is part of a larger £150 million development to be delivered in partnership with Urbo and Legal and General Investments. The project will enable the delivery of 368 new private rented housing units, 430m<sup>2</sup> of commercial floorspace and 5,500m<sup>2</sup> of associated high quality public realm.</p>  |
| <b>Strategic Case</b>   |
| <p>With MCA investment, this development can be accelerated, to deliver a transformative impact on Sheffield City Centre. The West Bar development aligns to the major growth plan objectives set out in the Strategic Economic Plan and contributes to the overall policy objectives for the MCA. Located in the centre of the city, the West Bar site is within one of seven strategic growth areas in the wider City Region.</p> <p>Unlocking this important site to facilitate new housing contributes to the ambitions set out under the specific themes of the SEP:</p> <ul style="list-style-type: none"> <li>• Vibrant and Resilient Places</li> <li>• Innovation, Enterprise and Growth</li> <li>• Land, Housing and the Built Environment</li> </ul> <p>The project also aligns the Council's 2018-23 New Homes Delivery Plan to support the building of over 2,000 new homes per annum over the course of 5 years and expectation for the City Centre to deliver around 5,300 new homes between 2019-2024.</p> |
| <b>Value for Money</b>  |
| <p>The Land Value Uplift, in Net Present Value terms, has been estimated at £2.7m, and a Benefit Cost Ratio for MCA investment of 4.14, representing very good value for money.</p>   |
| <b>Risk</b>   |
| <p>Top 5 risks as highlight in the business case are:</p> <ul style="list-style-type: none"> <li>• Highways design and layout formal approval.</li> <li>• Highways costs priced by Amey in 2019 may be subject to inflationary uplift.</li> <li>• Statutory services diversion costs to be assessed.</li> <li>• Procurement of main contractor via appropriate framework to allow start on site in Mar-21</li> <li>• Scheme Cost Overruns</li> </ul> <p>The risks identified by the applicant have been categorised as low to medium, with Urbo, the Development Partner, in control of mitigating most of the risks concerning finance and construction contracts. In the eventuality of the land not being developed, the applicant explains the SCC and Urbo agreement includes a buyback clause.</p>  |

Other mitigation measures are as follows:

- Planning – preliminary designs have been approved and detailed design will involve SCC
- Costs – competitive tender will minimise costs and Urbo are legally obliged to cover overruns.
- Delivery of residential scheme – outline planning approved subject to conditions and detailed planning application being developed in discussion with planners.
- Sale of completed units – Pre-sale agreement in place with Legal and General.
- Land – under control of SCC and Urbo.

The applicant also identifies the impact of Covid-19 and potential burdens of public realm works, electricity supply infrastructure, service diversions, flood alleviation works and groundworks/de-contamination, as challenges for the next stages of delivery.

## Delivery

There is a joint partnership between SCC and Urbo (and Browmer & Kirkland) in ensuring the delivery of this project. The business case demonstrates that project management arrangements are in place and provides a description of the project management team that will manage the design, procurement and construction phases of the work. An organisational chart is provided and there is clear evidence of project governance.

The Management Case also references the relationship management between delivery partners and key stakeholders, making clear that stakeholders will be updated on a monthly basis regarding progress.

The design work for the new retention wall has highway authority approval and Openreach have provided a quotation for diversion works associated with their infrastructure. It is anticipated that the retention wall works can be tendered at risk awaiting MCA grant approval. This would allow the works to commence on site in March 2021.

Detailed planning application for the 368 housing units is expected in Q1 21 with a view to completion and occupation in Q1 2024.

## Legal

The FBC has stated that Subsidy Control is not applicable, with no explanation provided on how this decision has been reached. This needs further clarification with the Applicant and should be made a condition of the funding agreement.

## Recommendation and Conditions

|   |  |
|---|--|
| <b>Recommendation</b>   | Full grant award subject to conditions |
| <b>Payment Basis</b>  | Payment on defrayal                    |
| <b>Conditions of Award (including clawback clauses)</b>   |  |
| <b><i>The following conditions must be satisfied before contract execution.</i></b>   |  |
| <ol style="list-style-type: none"><li>1. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.</li><li>2. Submission of acceptable Subsidy Control opinion</li></ol> |  |
| The conditions above should be fully satisfied by 6 <sup>th</sup> April 2021. Failure to do so could lead to the withdrawal of approval.  |  |
| <b><i>The following conditions must be satisfied before drawdown of funding.</i></b>  |  |
| <ol style="list-style-type: none"><li>3. Submission of evidence of SCC's Board approval for the scheme.</li><li>4. Formal confirmation of all other funding approvals required to deliver the project.</li><li>5. Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.</li><li>6. Confirmation of procurement and evidence of cost certainty</li></ol>                         |  |



**The following conditions must be included in the contract**

7. Clawback will be applied on outputs at MCA discretion

## Record of Recommendation, Endorsement and Approval

**Project Name**

### Assurance Panel Recommendation

### Board Endorsement

### MCA Approval

**Date of Meeting**

**Date of Meeting**

**Date of Meeting**

**Head of Paid Service  
or Delegate**

Ruth Adams

**Endorsing Officer  
(Board Chair)**

**Approving Officer  
(Chair)**

Deputy CEX

**Signature**

**Signature**

**Signature**

**Date**

**Date**

**Date**

**S73 Officer or  
Delegate**

Gareth Sutton

**Statutory Finance Officer Approval**

Group Finance Director

**Signature**

**Name:**

**Date**

**Monitoring Officer or  
Delegate**

Steve Davenport

**Signature:**

SCR MCA Solicitor

**Signature**

**Date:**

**Date**

## Assurance Panel Summary

### Scheme Details

|                            |                               |                          |        |
|----------------------------|-------------------------------|--------------------------|--------|
| <b>Project Name</b>        | Malthouses New Housing Scheme |                          |        |
| <b>Grant Recipient</b>     | Sheffield Housing Company Ltd |                          |        |
| <b>MCA Executive Board</b> | Housing & Infrastructure      | <b>MCA Funding</b>       | £1.1m  |
| <b>% MCA Allocation</b>    | 9%                            | <b>Total Scheme Cost</b> | £12.5m |

### Appraisal Summary

| <b>Project Description</b>   |
|--|
| <p>The Malthouses New Housing Scheme is seeking £1,096,853 from the MCA Housing Fund. The applicant is Sheffield Housing Company Ltd, a joint venture between Sheffield City Council, Keepmoat Homes and Great Places Housing Group. The scheme aims to deliver 73 new, two, three and four bed homes on brownfield ex-housing land in Parson Cross, Sheffield. Sheffield City Council is the current landowner and will contribute the land to the Applicant for a nominal value of £1. The funding being sought is to fund the difference between the anticipated Gross Development Value and the higher Gross Development Cost of the scheme.</p>   |
| <b>Strategic Case</b>  |
| <p>The scheme will contribute towards the local housing targets, which the Applicant has calculated to equal 3.65% of the local housing annual target. The Applicant has identified elements of the scheme that will contribute towards SEP ambitions of the “Vibrant and Resilient Places”, “Innovation, Enterprise and Growth”, “Skills, Employment and Education”, and the “Land, Housing &amp; Built Environment” objectives. The Applicant is also proposing to support the climate emergency and net-zero carbon initiatives by building two pairs of semi-detached homes which will adopt a higher environmental performance specification. This will incorporate learning and product testing shared by Keepmoat in order to assess the performance of two 80% enhanced environmental performance homes, and two 100% zero carbon homes. The Applicant has confirmed it is in ongoing discussions with the Council regarding other opportunities to offer a proportion of other tenure alternatives, for example affordable rent or shared ownership.</p>  |
| <b>Value for Money</b>   |
| <p>After adjusting for displacement, combined Land Value Uplift in NPV terms has been assessed at £1.298m. This delivers a combined, adjusted BCR of 1.18, which indicates the proposed MCA investment can deliver acceptable value for money.</p>   |
| <b>Risk</b>  |
| <p>Top 5 Risks as highlight in the Business Case are:</p> <ul style="list-style-type: none"> <li>• Lack of funding (Probability: unspecified / Impact: High)</li> <li>• Assumptions on costs and sales values are not realised (Probability: Medium / Impact: Medium)</li> <li>• Unforeseen development costs (Probability: Medium / Impact: Medium)</li> <li>• Market downturn affecting build and sales rate (Probability: Medium / Impact: Medium)</li> <li>• Delays to planning approval (Probability: Low / Impact: Medium)</li> </ul> <p>The applicant states that development finance is required to fund construction and realise the associated economic benefits of the scheme. The proposed source of this loan is identified (Keepmoat Great Places).</p> <p>The risk of costs associated with ground conditions and services have been included in the cost estimates of the scheme.</p> <p>The risk of expected sales values not being realised has been accounted for in the contingency cost estimates, however if lower sales values are achieved this will negatively affect the land value uplift impact of the scheme. The Applicant explains that this will be minimised by their sales strategy and local experience, including generating early interest and options to change the tenure offer to lessen the impact of economic downturns.</p> |

## Delivery

The project governance and management arrangements outlined in the business case are clear and considered appropriate for the project. The project team is well identified and made up of appropriate parties consisting of an effective mix of external and internal personnel. The addition of the organogram adds to the robustness of the management case.

Key milestones are set out clearly covering both the initial site preparation works and the full construction of property works. The project is now at the planning application submission stage and planning permission is anticipated to be received in March 2021 with site preparation works commencing shortly thereafter. The site is then expected to be paused whilst another nearby Applicant site completes its sales in order to avoid competing stock coming on to the market simultaneously. During this period however, preparatory work to facilitate the build will be completed such as discharging planning conditions and tendering the main build contract. Construction works are anticipated to commence June 2022 with completion expected by January 2024. The Assessors are not aware of any reason why the timelines would not be realistic.

## Legal

Subsidy Control requirements are being investigated by the Applicant who has engaged a law firm to advise on Subsidy Control related matters. The appointed law firm has started assessing the matter and in an initial letter to the Applicant, it has confirmed the following:

*"...our initial assessment is that there is a credible basis for the whole of the grant either not amounting to unlawful state aid and/or being covered by an exemption or a combination of exemptions. Our detailed advice will follow once we have had the opportunity to examine the information provided in more detail."*

## Recommendation and Conditions

|   |  |
|---|--|
| <b>Recommendation</b>                                   | Full grant award subject to conditions |
| <b>Payment Basis</b>                                    | Payment on defrayal                    |
| <b>Conditions of Award (including clawback clauses)</b> |  |

### ***The following conditions must be satisfied before contract execution.***

1. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.
2. Confirmation of how SHC will cashflow finance the build if the expected contractor (Keepmoat) does not win the contract
3. Submission of acceptable Subsidy Control opinion

The conditions above should be fully satisfied by 6<sup>th</sup> April 2021. Failure to do so could lead to the withdrawal of approval.

### ***The following conditions must be satisfied before drawdown of funding.***

4. Submission of evidence of SHC's Board approval for the scheme.
5. Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.

### **The following conditions must be included in the contract**

6. Suitable overage clause to be included within the contract.
7. Clawback will be applied on outputs at MCA discretion

## Record of Recommendation, Endorsement and Approval

### Malthouses New Housing Scheme

| Assurance Panel Recommendation          |   | Board Endorsement  |  | MCA Approval                     |  |
|---|---|--|--|----------------------------------|--|
| <b>Date of Meeting</b>                  |   | <b>Date of Meeting</b>   |  | <b>Date of Meeting</b>           |  |
| <b>Head of Paid Service or Delegate</b> | Ruth Adams<br>Deputy CEX                | <b>Endorsing Officer (Board Chair)</b>   |  | <b>Approving Officer (Chair)</b> |  |
| <b>Signature</b>                        |   | <b>Signature</b>   |  | <b>Signature</b>                 |  |
| <b>Date</b>                             |   | <b>Date</b>  |  | <b>Date</b>                      |  |
| <b>S73 Officer or Delegate</b>          | Gareth Sutton<br>Group Finance Director | <b>Statutory Finance Officer Approval</b><br><br><b>Name:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |
| <b>Monitoring Officer or Delegate</b>   | Steve Davenport<br>SCR MCA Solicitor    |  |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |

This page is intentionally left blank

## Assurance Panel Summary

### Scheme Details

|                            |                          |                          |          |
|----------------------------|--------------------------|--------------------------|----------|
| <b>Project Name</b>        | Porter Brook             |                          |          |
| <b>Grant Recipient</b>     | Sheffield City Council   |                          |          |
| <b>MCA Executive Board</b> | Housing & Infrastructure | <b>MCA Funding</b>       | £350,000 |
| <b>% MCA Allocation</b>    | 100%                     | <b>Total Scheme Cost</b> | £350,000 |

### Appraisal Summary

| <b>Project Description</b>  |
|---|
| <p>Sheffield City Council are seeking £350,000 from MCA funds for site clearance of the Porter Brook site within the Cultural Industries Quarter of the Sheffield City Centre. This application focuses on the demolition of a two-storey building on the Porter Brook site, which is currently used for car parking, to provide a cleared site that is ready for development. The applicant owns the freehold to the site and has secured vacant possession of the former Escape Rooms premises.</p> <p>Once the site is cleared, Sheffield City Council will seek developer interest for housing targeted at young professional workers, potentially via a build-to-rent development. The site is estimated to have the potential to accommodate up to 200 one- and two-bedroom apartments.</p>   |
| <b>Strategic Case</b>   |
| <p>The application has clear rationale by addressing a viability gap on a key site within the Cultural Industries Quarter that will unlock the site for housing where previous attempts to attract a developer have been unsuccessful. The Scheme provides a strong fit with the SEP's objectives by facilitating vibrant and resilient places; attracting a skilled and qualified workforce; increasing housing stock and providing energy efficient homes within the city centre.</p> <p>The strategic case states that not securing MCA funding would mean that the scheme would be delayed by an estimated 24 months until Sheffield City Council funding became available. A delay to securing the funds required to demolish the existing building would inevitably delay the scheme as previous attempts to redevelop the site have not been successful due to viability issues meaning the site is likely to remain undeveloped without public sector intervention.</p> |
| <b>Value for Money</b>  |
| <p>The indirect outcomes of the scheme, based on the delivery of 200 units, are estimated to generate a Net Present Value of £157,161 and BCR of 1.4.</p> <p>The future land uses could result in the site increasing in value to £693,531, a LVU of approximately £338,691.</p> <p>Based on Communities and Local Government (CLG) guidance 'Valuing the benefits of regeneration', further benefits of the indirect outcomes of the scheme could include:</p> <ul style="list-style-type: none"> <li>• Consumption benefits (to account for 'private betterment minus dis-amenity') of up to £2,962,656 per annum.</li> <li>• Production benefits (to account for employment enabled by the new housing, due to new residents coming to the area, increasing the local labour pool) of up to £3,556,000 per annum.</li> <li>• Visual benefits (from the external benefits arising from enhanced visual amenity), of up to a one-off benefit of £3,271,520.</li> </ul>         |
| <b>Risk</b>   |
| <p>The business case highlights three main risks:</p> <ol style="list-style-type: none"> <li>1. No Market Interest. (Low probability. High impact.)</li> <li>2. Planning permission not obtained. (Low probability. Medium impact.)</li> <li>3. Ground conditions increase costs. (Medium probability. Medium impact.)</li> </ol>   |

It should be noted that the risks outlined above relate to the delivery of housing units on the site rather than site clearance and demolition which are seeking MCA funding. The business case would benefit from identifying risks associated with the MCA funding.

The degree of cost certainly is rated at 30% as the scheme is at pre-tender stage. The level of contingency involved has been informed by the initial findings of the asbestos report and bat survey which both indicate a low risk of any associated costs being involved in the scheme. It should be noted that a detailed breakdown of the assumptions underpinning the scheme costs has not been provided. It should be noted that Sheffield City Council have committed to account for any cost overruns in the scheme so there is limited financial risk associated with the scheme for the MCA.

The risk owner is not identified as a key member of the project team and this needs to be clarified. Appendix 3 (Risk Log) of the business case template is currently blank. The risk log should be populated for completeness.

## Delivery

The scheme will be managed internally at Sheffield City Council by the Capital Delivery Service (CDS). The business case provides the names of key scheme contacts including the project sponsor, project manager and lead client. The scheme will be guided by a monthly project highlight report, contract valuation report and cost report will be produced and issued to the client. The project team will establish a series of progress meetings and regular site inspections.

Specific reporting mechanisms for this scheme should be included in the business case to reflect its short delivery period. The business case would benefit from providing scheme specific detail regarding payments to the contractor. It currently states that 'Interim payments will be made on a monthly basis and will be based on valuations made by CDS in accordance with the contract and progress on site'.

The business case gives a delivery plan with the following key milestones:

- Demolition dependant on securing MCA funding by 31/03/2021
- Market Site depending on demolition by April 2021
- Select developer dependant on marketing by July 2021
- Submit Planning Application dependant on selecting a developer and exchanging contracts by Sept 2021
- Obtain Planning Approval dependant on submitting planning application by Dec 2021
- Start on Site dependant on obtaining planning permission by 01/03/2022
- Project Completion dependant on constructing scheme by April 2023

The milestones from July 2021 onwards are dependent on developer interest being secured for the delivery of housing units on the Porter Brook sites and so cannot be guaranteed even if MCA funds are awarded. There is however strong evidence of demand for such sites as outlined in the commercial case.

## Legal

Subsidy Control is not applicable to the scheme. The applicant owns the Porter Brook site and so is able to carry out the required demolition works without contravening Subsidy Control rules in preparation for the open market disposal of the site.

## Recommendation and Conditions

|   |  |
|---|--|
| <b>Recommendation</b>   | Full grant award subject to conditions |
| <b>Payment Basis</b>  | Payment on defrayal                    |
| <b>Conditions of Award (including clawback clauses)</b>   |  |
| <b><i>The following conditions must be satisfied before contract execution.</i></b>   |  |
| <ol style="list-style-type: none"> <li>1. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.</li> <li>2. Submission of a Risk Register appropriate to the project outputs (i.e. demolition/site clearance)</li> </ol> |  |



3. Submission of acceptable Subsidy Control opinion

The conditions above should be fully satisfied by 6<sup>th</sup> April 2021. Failure to do so could lead to the withdrawal of approval.

***The following conditions must be satisfied before drawdown of funding.***

4. All required statutory consents including all planning conditions must be satisfied.
5. Submission of evidence of SCC's Board approval for the scheme.
6. Formal confirmation of all other funding approvals required to deliver the project.
7. Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.
8. Confirmation of procurement and evidence of cost certainty

**The following conditions must be included in the contract**

9. Clawback will be applied on outputs at MCA discretion

## Record of Recommendation, Endorsement and Approval

### Porter Brook

| Assurance Panel Recommendation          |   | Board Endorsement  |  | MCA Approval                     |  |
|---|---|--|--|----------------------------------|--|
| <b>Date of Meeting</b>                  |   | <b>Date of Meeting</b>   |  | <b>Date of Meeting</b>           |  |
| <b>Head of Paid Service or Delegate</b> | Ruth Adams<br>Deputy CEX                | <b>Endorsing Officer (Board Chair)</b>   |  | <b>Approving Officer (Chair)</b> |  |
| <b>Signature</b>                        |   | <b>Signature</b>   |  | <b>Signature</b>                 |  |
| <b>Date</b>                             |   | <b>Date</b>  |  | <b>Date</b>                      |  |
| <b>S73 Officer or Delegate</b>          | Gareth Sutton<br>Group Finance Director | <b>Statutory Finance Officer Approval</b><br><br><b>Name:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |
| <b>Monitoring Officer or Delegate</b>   | Steve Davenport<br>SCR MCA Solicitor    |  |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |

## Assurance Panel VfM Statement

### Scheme Details

|                            |  |                          |          |
|----------------------------|--|--------------------------|----------|
| <b>Project Name</b>        | RMBC Small Sites 2020/21               |                          |          |
| <b>Grant Recipient</b>     | Rotherham Metropolitan Borough Council |                          |          |
| <b>MCA Executive Board</b> | Housing & Infrastructure               | <b>MCA Funding</b>       | £433,950 |
| <b>% MCA Allocation</b>    | 6.9%                                   | <b>Total Scheme Cost</b> | £6.303m  |

### Appraisal Summary

| <b>Project Description</b>  |
|---|
| <p>Rotherham Metropolitan Borough Council are utilising existing brownfield sites to enable the development of affordable housing. As part of the Council's Housing Development Programme, 32 homes for rent will be delivered across three schemes, comprising nine Housing Revenue Account (HRA) owned sites:</p> <ul style="list-style-type: none"> <li>• Scheme 1 focuses on delivering 14 bungalows across two sites.</li> <li>• Scheme 2 is in East Herringthorpe with plans to deliver 13 houses across 5 sites.</li> <li>• Scheme 3 is in Thrybergh, delivering 5 houses across 2 sites.</li> </ul> <p>The specific use of MCA funds is identified as for land remediation and preparation prior to development to help address the viability gap for the sites in question.</p>  |
| <b>Strategic Case</b>   |
| <p>The units proposed are in areas with low property values, meaning that without sufficient support they would not be delivered due to viability issues. The scheme has already received funding support from Homes England and is looking for additional support to enable all elements of the 32-house scheme to go ahead.</p> <p>The sites are already owned by RMBC and will contribute to the Council's housing and affordable housing delivery targets. RMBC has a housing need of approximately 550-600 new houses per annum, and a target for council delivery of housing for 175 houses for 2020/21 and 225 for 2021/22. The council has also identified a shortfall of 716 affordable houses, which this scheme will contribute to.</p> <p>The project aligns well with SCR MCA's approach to land, housing and the built environment with the SEP including a specific objective to improve the quality of existing and new housing stock, whilst maintaining housing growth.</p> |
| <b>Value for Money</b>  |
| <p>The project delivers 32 affordable homes, estimated to generate a Net Present Value of £112,379 and BCR of 1.3. This provides acceptable value for money.</p> <p>The future land uses could result in the site increasing in value to £1,102,700, a Land Value Uplift of approximately £483,200.</p> <p>Based on Communities and Local Government (CLG) guidance 'Valuing the benefits of regeneration', further benefits of the indirect outcomes of the scheme could include:</p> <ul style="list-style-type: none"> <li>• Consumption benefits (to account for 'private betterment minus dis-amenity') of up to ££474,000 per annum.</li> <li>• Production benefits (to account for employment enabled by the new housing, due to new residents coming to the area, increasing the local labour pool) of up to £569,000 per annum.</li> </ul>   |

- Visual benefits (from the external benefits arising from enhanced visual amenity), of up to a one-off benefit of £523,000.

## Risk

Top 5 risks as presented in the business case:

1. Increased costs (Probability: Med / Impact: Med)
2. Affordable Homes Programme (AHP) funding unavailable (Probability: Low / Impact: High)
3. Planning permission refused (Probability: Low / Impact: High)
4. Coronavirus (Probability: High / Impact: High)
5. Brexit (Probability: Medium / Impact: Medium)

The impact of coronavirus is regarded as the greatest risk. A cost is not tied to this risk, but it is anticipated this could relate to the impact of local outbreaks, impacts on the construction industry or supply chain, or construction workers being contracting the virus. The applicant will mitigate this risk through early warnings of any delays to programme caused by national announcements.

There is contingency in the budget which should enable cost overruns to be covered. If there are increases in costs, then these will be borne by the applicant (or passed to contractors if their contractual agreement covers this), as indicated in the risk management section of the funding application. Contingency is £385,000 and identified as a 10% allowance in the project's development appraisal.

## Delivery

The applicant is experienced in delivering social housing, with their Strategic Housing & Development Service having delivered over 280 new build houses in the past three years. The applicant states that project management resources are in place but do not provided additional detail on this. Delivery will be undertaken under a Programme Manager and a Project Commissioning Coordinator. Additional details on the organogram are include in Appendix 3. The application would benefit from additional detail on the day-to-day project management arrangements.

For Scheme 1, due to it being more progressed, multiple milestones have already been reached, including planning application approval and proposals for the construction contract returned. A preferred contractor has been selected for scheme 1 and contract award is due to be sent prior to commencement on site in March 2021. Schemes 2 and 3 will take place later and therefore there is more uncertainty about how realistic the milestones are. The applicant has stated in the clarification questions that these are reasonable at the time of submission. The applicant should ensure the MCA is informed of the progress of these later schemes as a condition of grant approval.

## Legal

The applicant has stated that Subsidy Control is not applicable. This appears to be a reasonable interpretation with the scheme delivering social housing for Council use, a Service of General Economic Interest (SGEI). The applicant does not believe the grant payment breaches Subsidy Control rules. There is no confirmation in the application that legal advice has been provided to this end.

## Recommendation and Conditions

|   |  |
|---|--|
| <b>Recommendation</b>   | Full grant award subject to conditions |
| <b>Payment Basis</b>  | Payment on defrayal                    |
| <b>Conditions of Award (including clawback clauses)</b>   |  |
| <b><i>The following conditions must be satisfied before contract execution.</i></b>   |  |
| <ol style="list-style-type: none"> <li>1. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.</li> </ol> |  |

2. Submission of acceptable Subsidy Control opinion

The conditions above should be fully satisfied by 6<sup>th</sup> April 2021. Failure to do so could lead to the withdrawal of approval.

***For each scheme the following conditions must be satisfied before drawdown of funding for that scheme element.***

3. All required statutory consents must be satisfied.
4. Submission of evidence of RMBC's Board approval for the scheme.
5. Formal confirmation of all other funding approvals required to deliver the project.
6. Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.
7. Confirmation of procurement and evidence of cost certainty
- 8.

**The following conditions must be included in the contract**

9. Clawback will be applied on outputs at MCA discretion
10. Agreeing detailed delivery milestones, particularly for schemes 2 and 3

## Record of Recommendation, Endorsement and Approval

### RMBC Small Sites 2020/21

| Assurance Panel Recommendation          |   | Board Endorsement  |  | MCA Approval                     |  |
|---|---|--|--|----------------------------------|--|
| <b>Date of Meeting</b>                  |   | <b>Date of Meeting</b>   |  | <b>Date of Meeting</b>           |  |
| <b>Head of Paid Service or Delegate</b> | Ruth Adams<br>Deputy CEX                | <b>Endorsing Officer (Board Chair)</b>   |  | <b>Approving Officer (Chair)</b> |  |
| <b>Signature</b>                        |   | <b>Signature</b>   |  | <b>Signature</b>                 |  |
| <b>Date</b>                             |   | <b>Date</b>  |  | <b>Date</b>                      |  |
| <b>S73 Officer or Delegate</b>          | Gareth Sutton<br>Group Finance Director | <b>Statutory Finance Officer Approval</b><br><br><b>Name:</b><br><br><b>Signature:</b><br><br><b>Date:</b> |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |
| <b>Monitoring Officer or Delegate</b>   | Steve Davenport<br>SCR MCA Solicitor    |  |  |                                  |  |
| <b>Signature</b>                        |   |  |  |                                  |  |
| <b>Date</b>                             |   |  |  |                                  |  |

## HOUSING AND INFRASTRUCTURE BOARD

4<sup>th</sup> March 2021

### SOUTH YORKSHIRE DIGITAL INFRASTRUCTURE STRATEGY

#### **Purpose of Report**

To present the key elements of the emerging South Yorkshire Digital Infrastructure Strategy.

#### **Thematic Priority**

This report relates to the following Strategic Economic Plan priorities:

Secure investment in infrastructure where it will do most to support growth

#### **Freedom of Information**

The paper will be available under the Combined Authority Publication Scheme.

#### **Recommendations**

The Board is asked to:

1. Comment on the emerging evidence base and the proposed draft Vision and key objectives to inform the Draft South Yorkshire Digital Infrastructure Strategy; and
2. Note the proposed next steps in preparing the Strategy.

## **1. Introduction**

- 1.1** The consultant Arcadis was commissioned in June 2020 to support the Mayoral Combined Authority and partners to prepare a South Yorkshire Digital Infrastructure Strategy. Initial findings from Phase 1 of the commission which involved obtaining the views and requirements of a range of public and private stakeholders was reported to this Board in October 2020.
- 1.2** This report presents the Consultant's key proposals for the emerging South Yorkshire Digital Infrastructure Strategy and requests the Board's comments and steer to inform the development of the Draft Strategy.

## **2. Proposal and justification**

### **Progress**

- 2.1** The principle objectives of the commission are to:

1. Provide an independent ‘reality check’ of the Market around full fibre and 5G provision in South Yorkshire and nationally;
  2. Suggest any additional interventions or approaches that could yield additional benefit;
  3. Enhance the existing digital connectivity work to prepare an up-to-date and holistic Digital Infrastructure Strategy for South Yorkshire;
  4. Provide an initial assessment of public assets with the potential to support and contribute to the full fibre and 5G roll-out; and
  5. Provide guidance and advocacy to enable better access to Government and Government investment for digital infrastructure implementation.
- 2.2** Since the previous Board meeting Arcadis has focussed on collating and analysing the evidence base on the extent and type of digital infrastructure there is in the region; what digital coverage there is across South Yorkshire and where are there potential coverage gaps; what infrastructure investments digital infrastructure providers and the public sector are making; and where are public assets situated that could support industry roll-out programmes.
- 2.3** Arcadis has also been engaging with digital infrastructure providers, local authorities, NHS bodies, local universities, utility companies, and local businesses to explore potential interventions and approaches that could form part of the implementation of the Strategy. Furthermore, Arcadis has also undertaken an appraisal of previous unsuccessful bids to Government for digital infrastructure funding to better understand how to strengthen funding bids in the future.

### **Vision and Key Strategic Themes**

- 2.4** Taking the lead from the Strategic Economic Plan, the proposed draft Vision for the Digital Infrastructure Strategy is:

*A Gigabit digital infrastructure that accelerates new social and economic possibilities for all the people and businesses of South Yorkshire*

- 2.5** The Consultant proposes the following five key strategic objectives to deliver this Vision:
1. Ensure South Yorkshire’s superfast broadband and 4G success is repeated for Gigabit broadband and 5G;
  2. Support the social and economic priorities set out in the Strategic Economic Plan;
  3. Form an inclusive platform that enables better outcomes for all sections of society;
  4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire; and
  5. Position South Yorkshire as a centre of applied digital innovation.
- 2.6** The presentation attached at Appendix 1, which will be presented by Arcadis, provides further details relating to the Vision and each of these strategic objectives. The views of the Board are invited on these emerging key proposals to inform the development of the Strategy.

### **Next Steps**

- 2.7** Taking into account the Board’s views on the emerging proposals for the Strategy, the Consultant will focus on preparing the Strategy itself with a view to initially discussing the emerging Draft Strategy with the Superfast South Yorkshire Board, which comprises



officers from all four local authorities, and which is acting as the 'Sounding Board' for the preparation of the Strategy. The intention is to present the Draft Strategy for this Board's consideration at the Board's next meeting in June.

### **3. Consideration of alternative approaches**

- 3.1** Alternative approaches and options are being considered as part of developing the Strategy, which are being informed by the evidence base. The initial Draft Strategy may include a range of options particularly relating to prioritisation and potential market interventions.

### **4. Implications**

#### **4.1 Financial**

All activities set out in this report will be delivered from within existing resources. Where any further external work needs to be commissioned, funds for this will need to be identified.

#### **4.2 Legal**

None as a direct result of this report.

#### **4.3 Risk Management**

Key risks are:

- Individual authorities not engaging or unable to support elements of the work; however to date engagement has been high.
- Disagreements between individual planning authorities on any potential contentious issues.
- The digital 'Market' evolving so rapidly that it is difficult to ensure the Strategy is future proofed and remains relevant.
- That sufficient funding and investment is not available and/or funding and delivery partners are not committed to implementing the Strategy once completed.

#### **4.4 Equality, Diversity and Social Inclusion**

Ensuring digital inclusion for all will be a key purpose of the South Yorkshire Digital Infrastructure Strategy, aligning with the intentions of the Equality Act and Public Sector Equality Duty and the inclusivity policy approach of the Strategic Economic Plan. The work programme set out above is designed to enhance and support work at the local level by adding value and creating some economies of scale.

### **5. Communications**

- 5.1** Engagement and consultation opportunities are key components in the development of the Strategy. The final approved document can be publicised later in 2021 once completed and approved, and there may be media opportunities related to any interventions being proposed to implement the Strategy.

### **6. Appendices/Annexes**

- 6.1** Appendix 1 – Presentation: South Yorkshire Digital Infrastructure Strategy Emerging Strategic Proposals

#### **REPORT AUTHOR POST**

Officer responsible  
Organisation

**Colin Blackburn**  
**Assistant Director Housing, Infrastructure & Planning**  
Mark Lynam  
Sheffield City Region

Email Mark.lynam@sheffieldcityregion.org.uk  
Telephone 0114 2203445

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: None

**MCA Housing & Infrastructure Board**

**4<sup>th</sup> March 2021**

**South Yorkshire Digital Infrastructure Strategy  
Emerging Strategic Proposals**

## A reminder of the scope of the commission:

Page 52

1. Provide an independent 'reality check' of the Market around full fibre and 5G provision in South Yorkshire and nationally.
2. Suggest any additional interventions or approaches that could yield additional benefit.
3. Enhance the existing digital connectivity work to prepare an up-to-date and holistic Digital Infrastructure Strategy for South Yorkshire;
4. Provide an initial assessment of public assets with the potential to support and contribute to the full fibre and 5G roll-out.
5. Provide guidance and advocacy to enable better access to Government and Government investment for digital infrastructure implementation.

## South Yorkshire is fortunate to be building from positive foundations

Page 53

- SuperFast SouthYorkshire has delivered an excellent foundation of 96%+ availability of 30Mbps 'Fibre to the Cabinet' broadband.
- Fibre build by CityFibre is in progress and Openreach have committed to fibre upgrade more of its exchange areas by 2024. Virgin are upgrading their cable network to fibre speeds and operators new to the region are indicating a willingness to invest.
- DCMS have indicated that they will fund fibre investments in at least two areas of the Region as part of their 'Outside-In' rural fibre programme.
- Ofcom report near 99% availability of 4G and we already have all four operators supporting 5G in Sheffield and are on track for regional 5G coverage to be in line with other major conurbations.
- We have significant clusters of digital businesses in Sheffield and beyond and the success of Barnsley DMC points to the digital potential of the region. Innovation clusters such as AMID (AMRC, AWRC) are well positioned to exploit the enterprise features that are key to 5G.
- Proposals set out a framework for an inclusive digital agenda; this is a national challenge where South Yorkshire can lead.



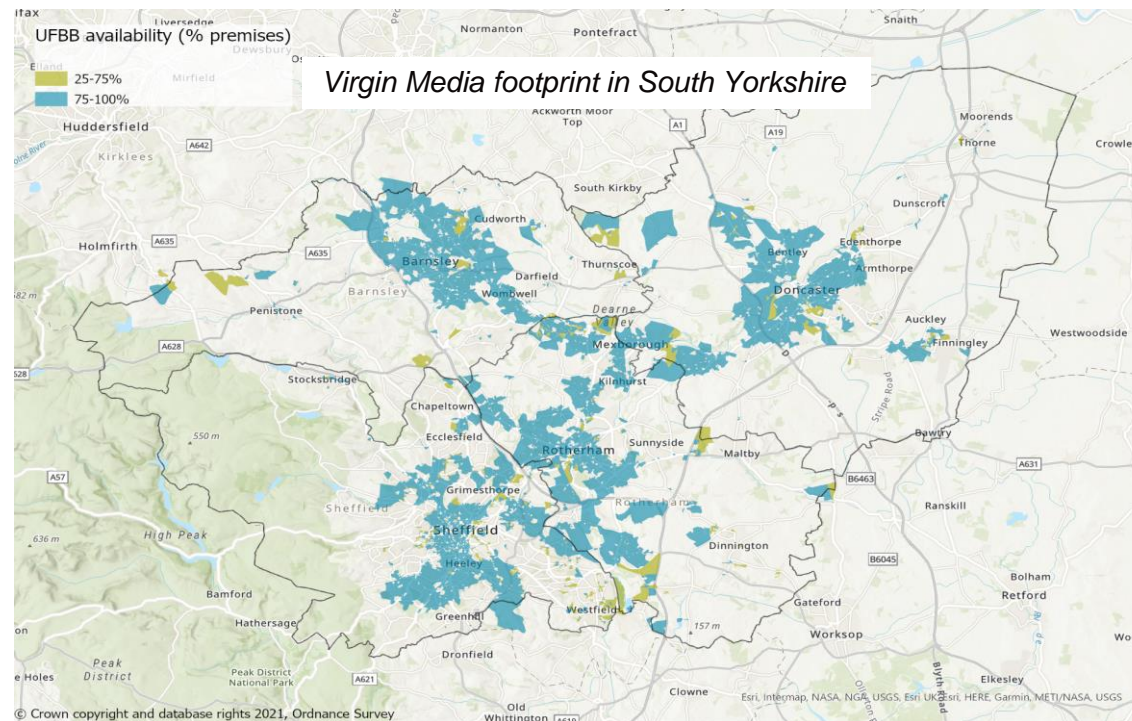
# CONTEXT

The Government has changed its 'full fibre' ambition to 85% 'Gigabit Capable' broadband by 2025

Page 54

This is an important shift as the new definition is no longer dependent on fibre optic broadband so now includes Virgin-Media's cable TV network that is being upgraded to support Gigabit speeds nationally by 2024

Because of this change of definition it is expected that c60% of the Government's new 85% target will be delivered by Virgin Media alone



This change is really helpful to South Yorkshire as Virgin already have a significant footprint in the Region, so the starting point is a far better position than when it was all about fibre broadband

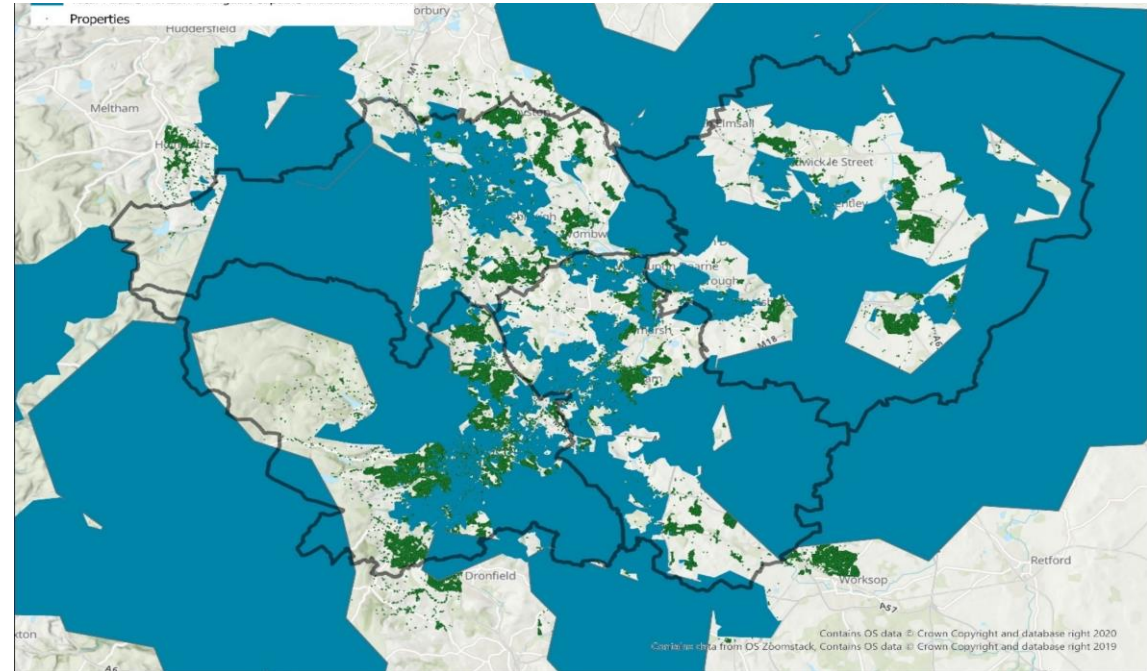
# CONTEXT

**Gigabit- Capable broadband coverage will hit at least 75% of premises by 2025**

Page 55

This 75% coverage is a combination of Virgin-Media cable TV network upgrade (now of central importance), committed Openreach fibre exchanges, Cityfibre town centre builds and the two DCMS 'outside-in' fibre procurements being considered for South Yorkshire.

**Of the c650K premises South Yorkshire, c160K do not have a committed path to Gigabit coverage but we suspect omission from 'Outside-In' means there is commercial intent for at least part of this remainder**



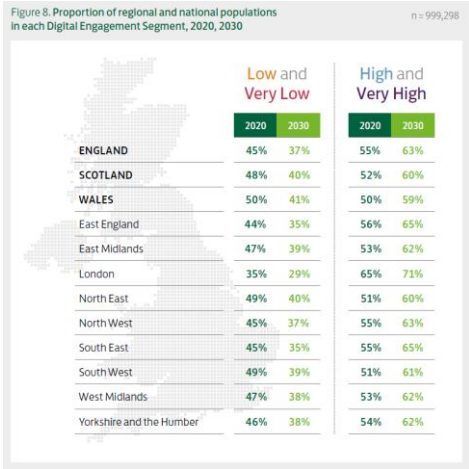
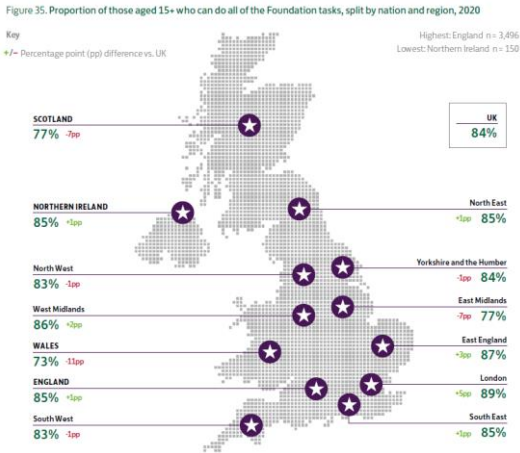
The task will be to work with all Gigabit-capable providers to maximise the commercial footprint and at the same time identify those properties at greatest risk and develop a targeted response such as use of the DCMS voucher scheme.

# CONTEXT

Whilst digital poverty statistics for South Yorkshire are not readily available, national data would indicate there is an opportunity to make a real difference

Page 56

Whilst digital skills are in line with national averages, the paucity of local data makes it difficult to pick out specific issues



But at a national level there are significant challenges that are relevant to South Yorkshire

Over 20% of lower income households with children cannot access the internet with anything other than a mobile phone

|   | All DE Households with children | Number of DE children affected estimate (lower) | Number of DE children affected estimate (upper) |
|---|---------------------------------|---|---|
| No access to the internet at home                           | 6%                              | 110,000   | 390,000   |
| Smartphone only access to the internet                      | 9%                              | 219,000   | 571,000   |
| No home access to laptop or desktop or tablet or smartphone | 4%                              | 52,000  | 281,000   |
| No home access to laptop or desktop or tablet               | 21%                             | 649,000   | 1,182,000                                       |

(source: Ofcom Technology Tracker 2020)

Poorer households with low digital skills spend over £500 more a year on utility bills than those with higher levels of digital engagement

Average monthly spend on utility bills split by digital engagement segment and annual salary

| Digital Segment | Annual Salary | Average spend* per month |
|-----------------|---------------|--------------------------|
| Very High       | £0            | £162                     |
|                 | <£20,000      | £143                     |
| High            | £20,000+      | £221                     |
|                 | £0            | £174                     |
| Low             | <£20,000      | £168                     |
|                 | £20,000+      | £239                     |
| Very Low        | £0            | £198                     |
|                 | <£20,000      | £207                     |
|                 | £20,000+      | £276                     |
|                 | £0            | £207                     |
|                 | <£20,000      | £203                     |
|                 | £20,000+      | £268                     |

(source: Lloyds Bank UK Consumer Digital Index 2020)

53% of those offline may struggle to afford broadband  
40% of benefit claimants have Very Low digital engagement  
52% of those offline are between 60 and 70 years old  
25% Percentage by which people with an impairment are less likely to have the skills to access devices and get online by themselves



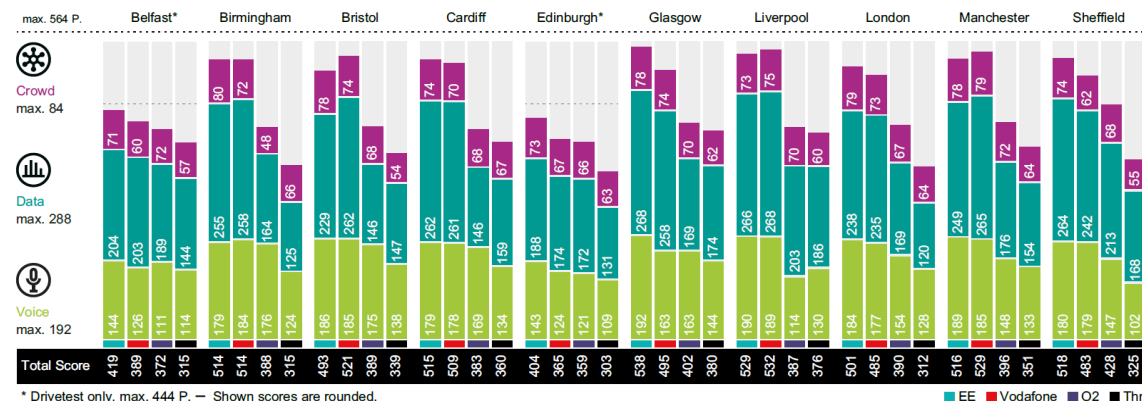
# CONTEXT

The mobile operator commercial rollout model that has given the region 99% 4G coverage\* is now driving 5G coverage. The public sector has an enabling role to play

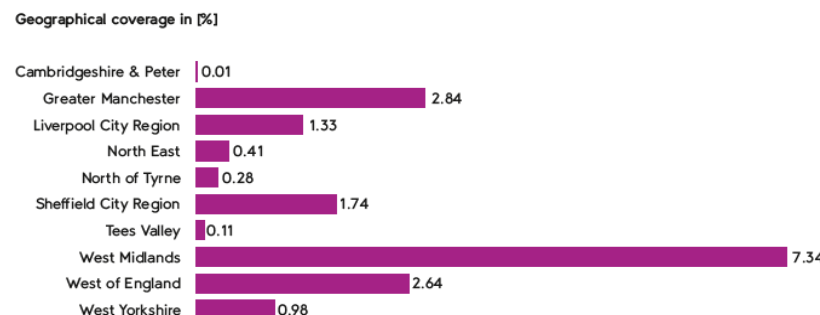
5G is a capacity and performance play and will not be rolled out everywhere; it will depend on 4G for coverage. The 99% 4G coverage is however based on mobile operator models and is not an accurate reflection of user experience, particularly in rural areas.

\*Ofcom data

Commercial rollout of 3G and 4G technology has served Sheffield well, with performance on a par with other major UK urban centres  
(Source: Umlaut 2019 Mobile Network test in the UK)

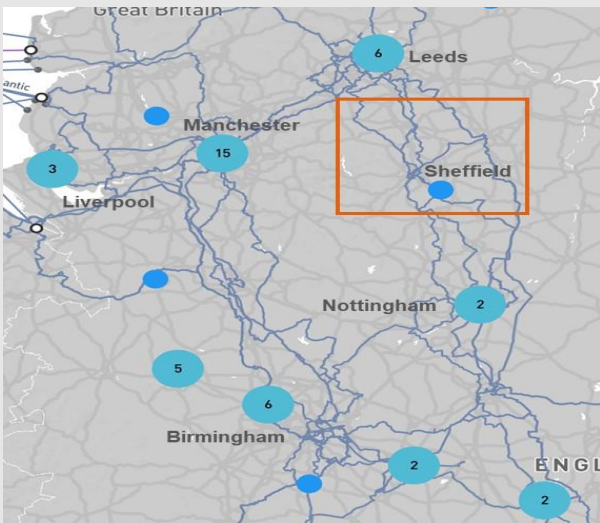


The same commercial operator deployment model also appears to be working well for 5G within the Sheffield City Region  
(Source: Ofcom 5G Coverage in the UK 2020)



**The region is lacking in data centre capacity which will become increasingly important for all businesses**

Page 58



- Data centres are an increasingly important part of the digital ecosystem.
- Whilst fibre connectivity can offer high speed global connectivity, proximity to the physical sites where data is processed and stored can be significant.
- Consensus is that over 25 miles (and the data centres of Leeds are 35 miles away) you start to get a noticeable effect.
- Industry analyst Gartner predicts that by 2025, 80% of businesses will shut down their in-house data centres.

## Our digital infrastructure Vision

Page 59 “ **A Gigabit digital infrastructure that accelerates new social and economic possibilities for all the people and businesses of South Yorkshire** ”

### Our Digital Infrastructure Strategy will:-

1. Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G
2. Support the social and economic priorities set out in the Strategic Economic Plan
3. Form an inclusive platform that enables better outcomes for all sections of society
4. Be supported by the Governance and data-driven approach needed to maximise the digital potential of South Yorkshire
5. Position South Yorkshire as a leading centre of applied digital innovation

# 1.

## Ensure South Yorkshire's superfast broadband and 4G success is repeated for Gigabit broadband and 5G

Page 60

- We will encourage all the commercial operators to deliver their planned network upgrades and new build in the SY region.
- We will work with DCMS to maximise the investment of 'Outside-In' rural broadband programme spend in South Yorkshire.
- **4G:** We will ensure that our rural communities have good mobile coverage (99% means 99%)
- **5G:** We will make the region's businesses, leaders in the adoption of 5G to drive sustainable advantage and competitiveness
- We will open up our public sector assets and make it easy for operators to build their networks with our consistent 'Barrier Busting' policies

# 2.

## Support the social and economic priorities set out in the SEP

Page 61

- As a foundation layer we will ensure we have ubiquitous Gigabit Broadband and 4G across South Yorkshire and 5G where it is needed.
- We will close the datacentre gap, reinforcing the success of the Region as a place to do digital business and ‘future proofing’ the region as more businesses become depended on cloud infrastructure.
- We will seek to leverage 5G’s unique enterprise capabilities (low delay, reliability, security, support for scale sensing networks) to the advantage of South Yorkshire’s significant manufacturing sector.
- We will engage with South Yorkshire’s major private sector organisations to leverage their digital know-how and seek mutually beneficial public-private sector outcomes.
- We will augment the growing narrative around the region’s digital sector, supporting start-ups, innovation and creating ‘lighthouse’ innovation projects.

# 3.

## Form an inclusive platform that enables better outcomes for all sections of society

Page 62

- We will address the data gap to better understand the specific digital poverty challenges in South Yorkshire.
- We will drive social value upside from our digital activities and as a bi-product of our support for operators building their new networks.
- We will explore new models for social connectivity, exploring new service delivery options (digital health and government services) and seeking to quantify the better outcomes that digital connectivity can deliver.
- We will make digital health and welfare a focus of our innovation work and link back to other regional initiatives.
- We will consider how our site assets can better serve our communities to either anchor operator builds into less commercially attractive areas or to provide digital centres in their own right, offering connectivity and help.

# 4.

## Governance and data-driven approach to maximise the digital potential of South Yorkshire

Page 63

- Building on the success of SFSY, we will create the necessary governance structure to ensure that our digital agenda is effectively coordinated and delivered.
- We will create a centre of digital excellence for the region, allowing it to respond in a co-ordinated way to Government initiatives and to engage consistently with operators and other private sector stakeholders.
- We will make use of wider public and private sector specific digital and technology skills to advise and add depth and challenge to our digital programme.
- We will make it easy for operators to build their networks with consistent 'Barrier Busting' policies adopted across the region, drawing on best practice from Local Authorities both within and outwith South Yorkshire.

# 5.

## Position South Yorkshire as a centre of applied digital innovation

Page 64

- We will seek to integrate our digital agenda into the innovation clusters already emerging in the region, amplifying their activities and creating 'lighthouse' projects reflective of our growing digital capability.
- We will seek to secure Government innovation funding awards by pre-preparing bids related to the SEP and our digital strategy.
- We will instigate a regional Internet of Things network to support public and private sector 'sensing' network ambitions and as a platform for innovation in our growing digital sector.
- Our innovation will have a purpose beyond being 'clever'; it must align to our SEP and have a clear social and economic value.



# Questions and Discussion

This page is intentionally left blank

## Housing and Infrastructure Board Forward Plan

**4<sup>th</sup> March 2021**

| Meeting Date  | Suggested Agenda items  |
|---|---|
| Tuesday 22 <sup>nd</sup><br>June 2021,<br>10am-12pm       | <ul style="list-style-type: none"> <li>• Growth Area Economic Blueprints</li> <li>• South Yorkshire Draft Digital Infrastructure Strategy</li> <li>• South Yorkshire Flood Catchment Plan</li> <li>• Brownfield Housing Fund – Full Business Cases</li> <li>• Major Capital Schemes – Full Business Cases</li> <li>• Modern Methods of Construction Next Steps</li> <li>• PAS Planning Services Review outputs</li> <li>• OPE Programme Update</li> <li>• Performance Dashboard and Forward Plan</li> </ul> |
| Monday 13 <sup>th</sup><br>September<br>2021, 1pm-<br>3pm | <ul style="list-style-type: none"> <li>• Growth Area Economic Blueprints</li> <li>• Brownfield Housing Fund – Full Business Cases</li> <li>• Major Capital Schemes – Full Business Cases</li> <li>• SCR Housing Review - Next Stage Activities</li> <li>• South Yorkshire Flood Catchment Plan</li> <li>• Land and Assets Commission – Initial Outputs</li> </ul>   |
| Tuesday 26 <sup>th</sup><br>October 2021,<br>10am – 12pm  | <ul style="list-style-type: none"> <li>• Growth Area Economic Blueprints</li> <li>• Brownfield Housing Fund – Full Business Cases</li> <li>• Major Capital Schemes – Full Business Cases</li> <li>• Renewal Action Plan Activity Implementation Update</li> <li>• Housing Energy Efficiency and Decarbonisation Retrofit Delivery</li> <li>• Performance Dashboard and Forward Plan</li> </ul>  |

This page is intentionally left blank