

**SHEFFIELD CITY REGION
INFRASTRUCTURE EXECUTIVE BOARD**

Date: Friday 9 October 2015

Venue: the AMP Technology Centre, Waverley, Rotherham, S60 5WG

Time: 10.00 am

AGENDA

Item	Subject	Method	Lead	Time	Page
1	Welcome and Apologies	Verbal	Mayor R Jones		
2	Urgent Items and Announcements	Verbal	Mayor R Jones		
3	Minutes of the Previous Meeting held on 3 September 2015				1 - 6
4	Devolution	Verbal	Mayor R Jones		
5	SCRIIP (Sheffield City Region Integrated Infrastructure Plan): Update and Next Steps	Paper	A Harhoff		7 - 12
6	CIAT (Central Independent Appraisal Team) Recommendations for SCRIF Schemes A) Part 1A Waverly Link B) Part 1B Sheffield City Centre C) Full Business Approval	Paper	N Byers		13 - 20
7	SCRIF Programme Update and Recommendations	Paper	N Byers		21 - 30
8	JESSICA Update	Paper	B Morley		31 - 34
9	SUD Update	Paper	B Morley		35 - 36
10	Review of Decisions				37 - 38

	Item				Page
11	Dates of Future Meetings - 20th November - 15th January - 26th February - 22nd April - 3rd June - 15th July - 26th August				

SCR INFRASTRUCTURE EXECUTIVE BOARD

03 SEPTEMBER 2015

SHEFFIELD TOWN HALL

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Mayor Ros Jones - Doncaster MBC John Mothersole - Sheffield CC Neil Taylor - Bassetlaw DC Martin McKervey - Nabarro (LEP) Chris Scholey - Doncaster and Bassetlaw NHS Foundation Trust (LEP)</p> <p>Apologies were received from Cllr Graham Baxter - North East Derbyshire DC</p> <p><u>In Attendance</u> Cllr John Burrows - Chesterfield BC (for Cllr Baxter) Amy Harhoff - SCR Executive Team Rob Pearson - HCA Matt Gladstone - Barnsley MBC Ed Highfield - Sheffield CC Tom Finnegan-Smith - Rotherham MBC Neal Byers - SCR Executive Team Peter Dale - Doncaster MBC Alison Westray-Chapman - North East Derbyshire DC Michael Rich - Chesterfield BC Susan Mahon - SCR Executive Team Craig Tyler - Joint Authorities Governance Unit</p>	
2	<p><u>SCR Infrastructure Executive Board Remit</u></p> <p>Amy presented a paper detailing the future work and responsibilities of the Board moving forward, within the context of the 'thematic Board' structure devised and adopted by the Combined Authority.</p> <p>It was noted that the Board will need to take a number of decisions to refine what areas of work it wants to seek devolved decision making responsibilities from the Combined Authority.</p>	

	<p>The group was advised that in addition to the five Executive Boards there will be some sub boards that provide recommendations and advice to the respective Executive Boards. A number of sub boards are already in operation. The IEB significant work streams (subject to formal approval to extend their remits as part of the new governance structures) were noted as:</p> <ul style="list-style-type: none"> • SCR Integrated Infrastructure Plan • SCR Investment Fund • JESSICA and Growing places • Broadband • SCR Enterprise Zone • Business Plan • Devolution and future growth deals <p>Volunteers were sought to take on point of contact responsibility for these areas.</p> <p>Cllr Burrows suggested the work done to date to devise the role and remit of the Board represented excellent progress and suggested this was an opportunity to demonstrate how well the SCR can manage funding effectively.</p>	ALL
3	<p><u>Devolution</u></p> <p>John informed the group that the SCR Devolution Ambition was due to be submitted on the 9th September.</p> <p>It was noted that the submission doesn't have a specific 'infrastructure' chapter, rather, infrastructure is referenced throughout and implicit in a number of the 'asks'.</p> <p>The group commented favourably on the current draft, suggesting it read well and achieved its purpose as a starting point for a longer term discussion with government. Members urged officers to 'be bold' noting how such an approach has benefitted other regions. It was also suggested that this is a test for whether the government shares SCR's ambition.</p> <p>The group considered the timescales associated with each ask, noting which could commence accruing results immediately and which might be predicated on the agreement to adopt a mayoral model of governance.</p> <p>It was suggested that the total value of the 'asks' might amount to c£200m a year for the region. However, this figure is subjective and dependant on what funding streams are regarded as related to asks.</p> <p>Mayor Jones noted that the 'asks' have to be meaningful and worthwhile if they are to pass the tests of 9 x full council resolution.</p> <p>The group revisited the notion of not having a separate infrastructure chapter. It was suggested that this deliberate action should be referenced as such, with the inclusion of a chapter stating that 'infrastructure is...'</p>	

		AH
4	<p><u>IEB Business Plan</u></p> <p>Amy advised the group regarding the current status of the Business Plan and what work is underway to develop it further e.g. with references to emerging funding streams.</p> <p>It was noted that all Thematic Boards have been charged with producing Business Plans for Combined Authority consideration and endorsement.</p> <p>Comments on the current draft were requested.</p> <p>Martin noted the need for additional clarity regarding how the Infrastructure Board accords with other related Boards (Housing and Transport). It was agreed to discuss this issue in more detail at the next meeting.</p> <p>It was also agreed to consider scheme deliverable in more detail at a future meeting (at para 1.5 of the Business Case) and consider what can be done in advance of milestone dates to help mitigate the risk of scheme slippage.</p>	ALL
5	<p><u>SCRIF Business Case Recommendations</u></p> <p>Neal presented a paper setting out the recommendation of the CIAT for: M1 J36 Phase 1 Hoyland and Seymour Link Road, both schemes are seeking to move to full approval.</p> <p>The group considered how the right balance might be struck to ensure Board Members are provided with enough information to enable schemes to be properly scrutinised, which ensuring scheme leads aren't presented procedures that might be deemed too onerous.</p> <p>The Board Members agreed:</p> <ul style="list-style-type: none"> • The recommendation on the M1 J36 Phase 1 Hoyland to progress to Full Approval. This recommendation will then be for consideration by the Combined Authority as it seeks to enter into a funding agreement. • The recommendation on the Seymour Link Road to progress to Full Approval. This recommendation will then be for consideration by the Combined Authority as it seeks to enter into a funding agreement. <p>It was agreed that the Board (and scheme promoters) should be readily prepared for schemes to be 'called in' for further examination.</p>	
6	<p><u>SCRIF Programme Update</u></p> <p>Neal presented a paper providing an update on the current SCRIF programme and setting out a number of options to manage the programme.</p>	

	<p>The Board Members agreed to note the current programme update, risks and exception reports; agreed the requirement for all scheme promoters to provide regular highlight reports, with the first deadline for this being 18 September 2015 and noted the next steps (set out in Table 3 of the report) for managing programme slippage.</p> <p>The group requested more information to explain the arrangements in place for clawback and how potential clawback situations will be policed.</p> <p>It was noted that a paper will be brought before the October meeting to explain how a loan facility might be operated in the interests of managing slippage and bridging short term funding gaps.</p> <p>The Board highlighted the need to maintain a clear distinction between 'programme slippage' and 'programme headroom' and the means available to maximise any funding opportunities that these may present.</p>	NB
7	<p><u>IIP Update and Key Issues</u></p> <p>Amy provided the group with information regarding current work underway to draft the IIP.</p> <p>It was noted that the critical milestone of completing the evidence base had been completed. This will now inform how various parts of the IIP developed.</p> <p>Feedback was provided from the recent workshop events.</p> <p>John M noted the potential importance of a truly transformational IIP and, though proper survey work, its ability to comprehend how major schemes can address major issues, negating the need for smaller, localised interventions which might fail to tackle root causes. The Board Members welcomed this 'vision'.</p> <p>It was noted that a further session on the 14th September will apply a 'so what' school of thought to how the IIP is developing, and consider how the IIP is placed to support wider devolution asks.</p> <p>It is envisaged that a draft IIP will be available for comment by the end of September.</p>	
8	<p><u>EZ Recommendations - New Sites Proposals</u></p> <p>Susan presented the Board with a report summarising progressing on the current EZ sites and introducing the next round of EZs and next steps.</p> <p>It was noted that there are positive signs that development is picking up on our EZs. Development IS onsite at Vantage Park Sheffield (due for completion in September and Phase 2 due to start in Spring 2016); there is activity on site at Markham Vale with the Great Bear site (due for completion late 2015 and 2 other developments due for completion June 2016) and new industrial units are in development at Junc. 36 and grow-on space is progressing for the AMPTC (due for completion in November 2015).</p>	

	<p>It was noted that through conversations with landowners, other developments are also in the pipeline.</p> <p>The Board was reminded that the government is inviting applications for a further round of EZ's or extension to EZ's. The bidding is competitive and our bids will have to be commercially viable and demonstrate strong value for money.</p> <p>It was noted that expressions of interest were submitted on August 14th for 2 potential EZs</p> <ul style="list-style-type: none"> • An extension of the Markham Vale EZ to incorporate 31ha of the ex Coalite coking works located adjacent to the existing EZ at Buttermilk Lane Bolsover. • A new EZ at Red House Business Park, Doncaster where the sector focus will be low carbon and manufacturing. <p>It was noted that as part of the application process; if an LEP is submitting more than one bid they are required rank the bids to show their preferred bid. The board was presented with details of the transparent assessment process being proposed to ensure prioritisation is being undertaken in a clear and transparent way. This will consider the ability to deliver sustainable economic growth, value for money and implementation</p> <p>Regarding timescales (to ensure bids go through our governance structure and are submitted to DCLG on 18th September), the 1st September is the deadline for draft bids to be submitted to the SCR EZ board for review, the 11th September is the deadline for full bids being submitted to the SCR team to be completed and assessed and by the 16th September, the scoring process will be complete and bids signed off for submission.</p> <p>The Board agreed to note the progress on EZ sites, to note the EZ application prioritisation criteria and agreed to delegate the decision to prioritise EZ applications to the EZ board</p>	
9	<p><u>Minutes of the Last Meeting</u></p> <p>Minutes of the previous held on 24th July meeting were received and agreed to be an accurate record.</p>	
10	<p><u>Any Other Business</u></p> <p>No further matters noted.</p>	
11	<p><u>Date of Next Meeting</u></p> <p>As part of the new meeting cycle, dates of future meetings were confirmed as:</p> <ul style="list-style-type: none"> • 9th October, 2015 • 20th November, 2015 • 15th January, 2016 • 26th February, 2016 • 22nd April, 2016 	

	<ul style="list-style-type: none"> • 3rd June, 2016 • 15th July, 2016 • 26th August, 2016 <p>Future meetings to be held at the AMP, Waverley, Rotherham and will start at 10am</p>	
--	---	--

SHEFFIELD CITY REGION INFRASTRUCTURE EXECUTIVE BOARD

9th October 2015

The Sheffield City Region Integrated Infrastructure Plan

Summary

This paper updates Board Members with the progress of the SCR Integrated Infrastructure Plan.

This paper seeks to ask the board to discuss a number of key issues relating to the content development of the IIP, including the focus of the plan, the early work around a commissioning model, possible considerations for signature priorities and the work around spatial areas.

The plan is in early production and drafts are being shared with the IDG, given the focus of the IEB and short time available in the meeting for each item, this paper seeks to summarise progress and focus the board on key issues. The board are asked to:

We have included the document as an Annex A by way of providing full information, the IEB will allow for questions on content, but seeks to draw to the summary and key issues in this paper with a view to asking for any comments on the document by **Friday 16th October**.

1. Issue

- 1.1. The SCR are at the vanguard of the devolution agenda, with a significant growth deal worth over £300m and most recently a very high profile agreed Heads of Terms by which a ground breaking multi-year settlement with government could be agreed.
- 1.2. This paper provides an update to the Infrastructure Executive Board (previously advisory board) regarding the production of the Sheffield City Region's first Integrated Infrastructure Plan, which will provide the bedrock by which our next pipeline of game changing infrastructure will be delivered.

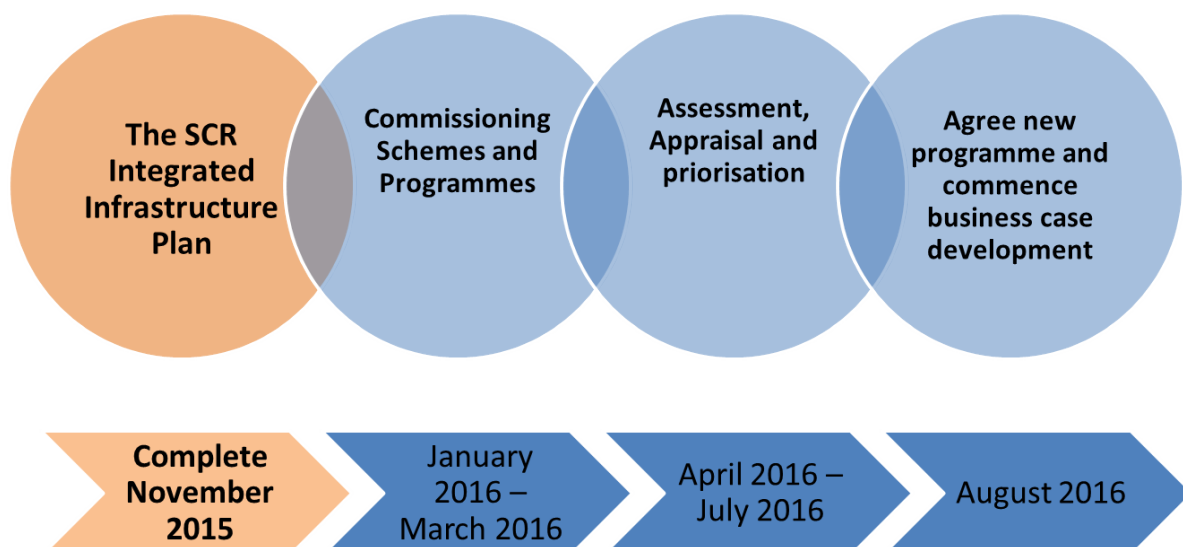
2. Recommendations

- 2.1. To note and advise of any key issues around the proposed timescales to completion of the plan.
- 2.2. To discuss the general flow of the document summarised in Section 3.3/3.4
- 2.3. To discuss the proposed option for marketing the plan and infrastructure summit in section 5
- 2.4. To agree to defer matters of detail and content to the Infrastructure Development group between now and the next IEB in November 2015, at which point a dedication session will be given to the IEB
- 2.5. We envisage as with the SEP and devolution, that the document will be SCR branded, acknowledging ARUP as a drafting partner.

3. Background

- 3.1. The next generation of infrastructure investments will be delivered under a four stage process, which we aim to conclude as a new programme of investment from August 2016, figure below summarises this process.
- 3.2. We are focused on the production of the IIP which is the first milestone of this process and completes end November 2015

Figure 1



Note The IIP is a commissioning model, this means it DOES NOT specify schemes, but it articulates the economic challenge or opportunity under which a future scheme should be put forward In the following stages of the process. For example if we identify that growth between key growth areas is reduced due to a lack of transport provision the work will highlight the possible range of solutions and benchmark costs but will not make a recommendation on the option.

3.3. The IIP includes various heading which logically fall into two areas context and Interventions. The first sections of the plan seek to set a very strong and coherent scene for the context in which the plan is written, they include:

- **Forward** – to be agreed in content we are assuming that this will be a joint forward by key SCR leaders, setting the highly ambitious scene for the IIP.
- **Executive Summary** – to provide a succinct summary of the key elements of the document, where we want to draw the reader's attention to and particularly s supporting statement of key lines and numbers
- **Introduction** – setting the scene for the economy and role of integrated infrastructure to both support our challenges and create new opportunities
- **Integrated Infrastructure** – sets the scene for an approach to drawing together a holistic view of the SCR's infrastructure requirements
- **Plan Horizon**- We have been clear throughout the IIP that although we are seeking to support a SEP horizon of 2024, that we in fact in both infrastructure and spatial planning terms see this as an artificial timescale. To strike a balance between delivering now and allowing for future milestones we have built in 'Review Points' which seek to highlight key points at which we expect the plan will need to be reviewed, they include HS2 connectivity, TfN investments, wider industry plans, joint spatial plans.
- **Economic Infrastructure as an enabler of growth** – Sets the scene with some key research on the role of infrastructure to drive growth in the economy, in the context of the three segments of; external connectivity, transformational and enabling.
- **Building on strong foundations** – Sets the context for strong governance and key work such as the SEP.
- **Current precedents and future drivers** – Put an national and international context to some of the global forces of infrastructure, including the effect of urban deification, population changes and agglomeration.

3.4 The second section then builds on this analysis to enter more specific areas for interventions

- **Approach to commissioning** – Still in draft and incomplete, this section will set out the methodology and guidance by which schemes and programmes will be commissioned and will set the scene for scheme promotor's expectations. **This section is absolutely critical to the whole plan, as this provides the context under which new infrastructure will be successful.**
- **The Infrastructure Demand** – This is a key section of the plan, which goes into some detail across a range of infrastructures, flood, transport, energy as well as utilising the spatial evidence to start to explain the SCR infrastructure challenge.

- **Signature Priorities** – This section is about a few (NON-SPATIAL) interventions which seek to take advantage of a natural strength or to build a strength which will set SCR apart from other city regions and will include examples such as; USP's of our transport provision, approach to energy generation, approach to housing delivery and or our unique approach to financial integration- the version in the current draft are under revision following the IDG Friday 2nd October, but give a sense of direction and scope.
- **Integrated Interventions** – A key part of this plan was around particular key spatial areas developing frameworks to tackle infrastructure in a holistic way, in terms of development, finance and delivery. This section of the plan sets out an assessment of infrastructure requirements for key growth areas. It gives a clear indication, under which these areas would bring forward integrated investment plans.
- **Infrastructure Delivery**- This section sets out a number of key sections critical to the implementation of the IIP including; funding, benchmark costings, the commissioning approach.
- **Legacy** – The London Infrastructure Plan, boasts that one of the key outcomes was a legacy of communication with operators that previously hadn't communicated on a collective basis on the forward plan of infrastructure investments, and now they do a new era of cost saving and integrated delivery has been enabled. The SCR plan will need a legacy by which the plan continues and becomes the manual by which investment is planned and delivered.

For a full version of the document see **ANNEX A**, note this is re-drafted on a weekly basis to take account of views of stakeholders as well as the drafting team work through the SCR Executive.

4. Key Meetings

The plan is at a critical stage, we are aiming to have a strong draft available within the next 3 weeks, taking place between **10th- 29th October** which we will discuss with the following groups and meetings:

- 2 more IDG drafting sessions (including 1 page turner session)
- 1 x final work shop with key stakeholders who have been engaged throughout the process.
- 1 x meeting with the top ten SCR businesses
- 1 x meeting with the key third sector organisations
- Weekly project meeting SCR
- Final update Directors of Finance (finance work only)

5. Proposed Marketing Plan

Key feedback at the last IDG meeting was the need for a comprehensive and clear marketing plan that culminated in a well-planned, well timed summit, we are therefore proposing the following:

- **End November SCR stakeholder launch** , LEP meetings, sector groups, business forums
- **January 2016 Infrastructure summit** to be planned early with at least 3 months to ensure buy in and attendance

Main press launch to be Jan 2016

6. Implications

i. Financial

6.1. SCR summit and combinations is additional to the existing budget and expected to cost in the region of £6,000 to come from existing SCR Budgets

ii. Legal

6.2 none known

iii. Diversity

6.2. There are no diversity implications of this report.

iv. Equality

6.3. There are no equality implications of this report.

Report author: Amy Harhoff , SCR Executive

Officer responsible: Ben Still SCR CEX
Tel: 0114 254 1334
Email: Ben.Still@sheffieldcityregion.org.uk

Annex A: SCR IIP Draft

This page is intentionally left blank

SHEFFIELD CITY REGION INFRASTRUCTURE EXECUTIVE BOARD

9 October 2015

Recommendation from the CIAT for Lower Don Valley A630 Parkway widening, Sheffield City Centre University of Sheffield Campus phase 1 and Chesterfield Waterside business cases

Summary

This paper sets out the recommendation of the CIAT for: Lower Don Valley Stage 1A, Sheffield City Centre University of Sheffield Campus phase 1 Stage 2 and Chesterfield Waterside full approval.

1. Issue

- 1.1. This paper sets out a recommendation for **Lower Don Valley A630 Parkway widening, Sheffield City Centre University of Sheffield Campus phase 1 and Chesterfield Waterside**.

2. Recommendations

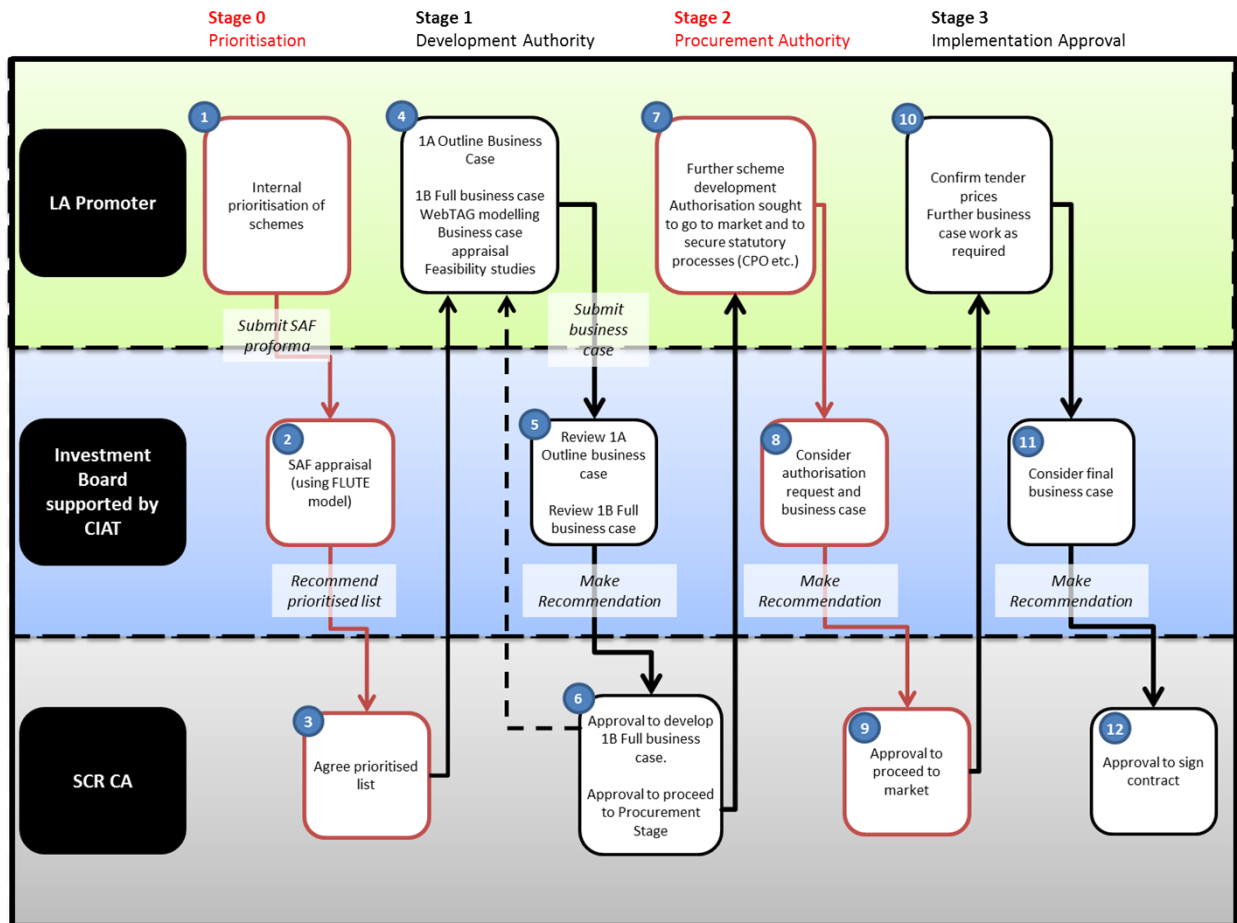
Infrastructure Executive Board members are asked to:

- 2.1. Agree the recommendation on the **Lower Don Valley, A630 Parkway widening** to progress to Stage 1B.
- 2.2. Agree the recommendation on the **Sheffield City Centre University of Sheffield Campus phase 1** to progress to Stage 3.
- 2.3. Agree the recommendation on the **Chester Waterside** to progress to full approval, subject to provision of a revised scheme appraisal.

3. Background Information

- 3.1. Each of the schemes in the SCRIF programme is current being progressed through the SCR Assurance Framework. The Assurance Framework was developed in consultation with Local Authority partners, Government Departments and experts in the field of business case development and appraisal. This Framework establishes a robust, transparent and efficient process for taking investment decisions. The stages of the Assurance Framework are set out in Figure 1. The Assurance Framework Documentation is provided online <http://sheffieldcityregion.org.uk/investment-fund-assurance-framework>.

Figure 1 Assurance Framework Process



- 3.2. The following section summarises the recommendation for the **Lower Don Valley, Sheffield City Centre University of Sheffield Campus phase 1 and Chesterfield Waterside**.

Lower Don Valley A630 Parkway widening

- 3.3. The primary objective of the A630 Sheffield Parkway Scheme is to deliver capacity enhancements along this critical transport corridor within the Sheffield City Region. The proposed widening scheme will deliver capacity enhancements to this critical link that not only provides access to Europe's largest Advanced Manufacturing Research and Science Park, but facilitates movement between the joint economies of Rotherham and Sheffield and provides access to the Strategic Route Network (SRN) at M1 junction 33.
- 3.4. The A630 Parkway is a dual carriageway that carries a significant number of vehicles. Traffic regularly queues on the A630, especially in the PM peak, with traffic experiencing queues and consequent unreliability travelling towards the M1 motorway from Sheffield. This is due to a variety of factors, the most prevalent being insufficient lane capacity approaching the junction with the M1 motorway.
- 3.5. The scheme forms a discrete part of an ongoing series of individual, but intrinsically linked, projects investing in the strategic local highway network between Sheffield and Rotherham and the strategic route network at the M1 motorway. Work has recently been undertaken on the J33 roundabout to ease traffic flows around the junction and to

provide additional capacity. Works on the motorway 'mainline' will soon begin, with the aim of increasing capacity at this known bottleneck, by upgrading the section between J31 and J35a to 'smart' motorway standard. Increased capacity on the strategic network needs to be matched by increased capacity on the local network, to ensure that benefits are 'locked in'. The scheme is within a currently designated air quality management area (AQMA) due to levels of nitrogen dioxide (NO₂) that exceed the permitted standard. Reductions in standing traffic will have a beneficial effect on levels of emissions in the area.

- 3.6. Following government investment via the Pinch Point fund (Old Flatts bridge and J33 signalisation) plus the managed motorway scheme between junctions 31 and 35, this scheme will secure benefits that those nationally significant schemes have delivered and will ensure that the improvements delivered by those schemes are not compromised by congestion issues on the local highway network.
- 3.7. The project has a strong basis in sub-regional and local policy. The Don Valley Corridor is one of the City Region's seven spatial priority areas for economic growth and is also a key part of the City Region's Strategic Economic Plan. There are clear links as to how unlocking further growth at the AMP and Europa Link will increase the Sheffield City Region's GVA, increase the number of jobs and the overall employment rate, rebalance the economic base and helping address the economic performance gap of the City Region.
- 3.8. The strategic case for SCRIF investment for the capacity enhancements on the link is based on further development and built of the AMP- supported by recent traffic growth- with additional capacity required during peak hours in particular. The investment purpose, and objective, is that these interventions will stimulate economic regeneration by further unlocking new phases of development at, and surrounding, the AMP, and boosting private sector investment.
- 3.9. Objectives are also noted in terms of how the scheme will capitalise on and enhance the quality of life; with improvements in Air Quality, journey reliability and connectivity between Sheffield-Rotherham being the most important. It is noted there is strong synergy with other local and Highways England investments.
- 3.10. However, the strategic case could be strengthened by firming up the evidence as to why future development cannot itself pay for the improvements (either at a greater rate or to pump-prime), and the case why SCRIF funding is specifically required.
- 3.11. Historical comparisons for the Stage 1B case should seek to try and elicit the role transport has played in the development of the AMP and associated sites over the past 10 years, rather than being too generic, and a key task for the Stage 1B business full business case will be to establish evidence to support the proposition that a proportion of this investment that is likely to come forward over the next 20-25 years could be attributed to the Parkway widening project.
- 3.12. As is recognised, more detailed commercial and economic analysis will need to be completed to support the Stage 1B Full Business Case to demonstrate the enabling and acceleration effect of the accessibility benefits of the investment- at the AMP; adjacent enterprise zones, and further afield.
- 3.13. Whilst this is perfectly standard in commercial terms, in order to further develop evidence on the extent to which investment in Parkway widening (or otherwise) is likely to

influence future development and investment decisions specifically, consideration needs to be given to the guidance on dependent development.

- 3.14. This will help provide further evidence on the net jobs and GVA attributable to the investment, and seeks to tie the development potential of the location most specifically to transport conditions, congestion and capacity (with the improvements, and as impacted by other adjacent schemes).
- 3.15. **It is recommended that the project proceeds to Stage 1B on the basis of the caveats and recommendations outlined above.**

Sheffield City Centre University of Sheffield Campus phase 1

- 3.16. The project is identified as an opportunity to complement and capitalise upon existing large-scale growth investments being made by the University. The £2.981m investment in an improved campus environment supports the University's established plans to ensure its long-term competitiveness and growth in both teaching and research activity.
- 3.17. The project involves a series of interlinked public realm, highways and infrastructure works around the University's main site to the west of the City Centre. The objective is to improve the physical environment and quality of pedestrian connections around the campus and to better integrate the campus into the fabric of Sheffield City Centre. The works will extend the existing Gold Route of high-quality public realm to new public squares at the Hounsfield Quarter and the Arts Tower court.
- 3.18. Should SCRIF funding proceed, it will be matched by a significant investment from the University of Sheffield of £5.47m in a project which will not only support the growth of the University, but also has the potential to make a significant positive benefit to the SCR economy, and can be linked to much more significant and wider investment plans that the University is delivering in its estate.
- 3.19. Specifically, the proposed public realm and highways works are also intended to support the development of four new Science buildings for the University, which could deliver substantive additional economic outputs within two years. The net additional economic outputs rely on the rationale that the public realm and highways investment, particularly at the Hounsfield Quarter, will accelerate the Science buildings.
- 3.20. SCR has previously considered the full business case for this scheme which was approved subject to the following conditions. Sheffield City Council has since further developed the business case in response to the conditions. A summary of the conditions and responses provided is outlined below.
 1. Written confirmation of the University's commitment to invest in the development of the four new Science buildings at Hounsfield Quarter
 - Sheffield City Council has provided a Back to Back agreement which states the responsibility of each partner in delivering the scheme. This provides confidence that the University is committed to delivering their investment in the campus, alongside the investment through SCRIF.
 2. Production of an updated procurement strategy detailing specifically which procurement process will be used for each sub-project

- The procurement strategy has been provided for the scheme and the Invitation to Tender is out to the market. The evidence provided shows that the University of Sheffield and Sheffield City Council has agreed a streamlined partnership approach whereby the City Council will procure all of the works. This provides confidence that the scheme will be coordinated and deliverable as the approach for each sub-project has been brought together.
3. Confirmation that the University will cover any cost increases over the budget costs provided
- The Back to Back agreement between Sheffield City Council and the University of Sheffield sets out the relationship between the parties. This agreement provides confidence that costs will be controlled by this partnership and that SCR are not exposed to risk from a third party.
4. Clarity on the maintenance requirements and responsibilities for ongoing maintenance that will be delivered by the City Council as the basis for the commuted sum provided as part of the overall project costs
- Clarity has been provided on the role and responsibility of each partner for the on-going maintenance of the investment. The business case also confirms that there is no additional requirement for public funding to meet revenue costs for maintenance. Furthermore the requirement for the University of Sheffield to provide the commuted sum is covered by the Back to Back Agreement agreement.

3.21. **The recommendation is that the investment of £2.89m SCRIF investment in the University of Sheffield Campus Phase 1 project could proceed, subject to confirmation of the signed Back to Back agreement and of the final tender price.** At the point where these details are confirmed a recommendation will be brought to enter into a funding agreement for this scheme.

Chesterfield Waterside

- 3.22. Chesterfield Waterside is a major regeneration opportunity comprising a 25 hectare brownfield site strategically located on the edge of Chesterfield town centre (adjacent to the railway station) and running along the A61 corridor. The wider scheme comprises 1,500 houses and apartments, 30,000 sqm of B1 employment floorspace, and a mix of retail units, restaurants, hotels and other leisure facilities built around a new canal basin.
- 3.23. A joint venture company 'Chesterfield Waterside Ltd' has been established to secure the overall development of the scheme. This company is a partnership between Bolsterstone PLC, Arnold Laver Co Ltd and Chesterfield Borough Council. Chesterfield Waterside Ltd (CWL) is seeking financial support via SCRIF to help kick-start the development of 'Basin Square', the commercial heart of the Waterside scheme. Specifically funding is required to undertake site preparation works, provide site infrastructure and enable the first phase of built development to take place (comprising approximately 29,000 sqm of residential and commercial floorspace). The completed site works will also facilitate a phase 2 development with the potential to accommodate a further 11,000 sqm of floorspace. Scheme costs for this first phase development total £60.4m, with an identified funding gap of £2.7m to be covered via SCRIF. The balance of funding is to be secured by the private sector partners in CWL, demonstrating significant private sector leverage.

- 3.24. The project is clearly strategically important given its position and role in unlocking new high quality employment land on the edge of Chesterfield Town Centre. It is likely that the Chesterfield Waterside scheme will eventually lead to investment and jobs and therefore SCRIF investment can have an instrumental role in unlocking this potential. However, the timescales and certainty of demand for commercial development and thus the economic benefits of jobs, GVA and private sector investment are unclear and difficult to predict, and as currently structured, there is significant risk to value for money and reputation for the SCR as a public funder of the scheme.

- 3.25. We consider a conditional approval with robust measures in place to manage the risks to SCRIF investment through claw back provisions (i.e. so that, if commercial development does not proceed within a certain timescale, there is a requirement for the grant to be repaid so that SCR can re-invest the funds in creating the required economic benefits elsewhere).

- 3.26. In addition to the need for Clawback and Overage arrangements which has been previously identified, there needs to be a review of the appraisal assumptions. The purpose of the review is to demonstrate the level of the viability/funding gap to inform the SCRIF funding requirement. We also request that further comparable evidence is provided to support the appraisal assumptions around rents, yields and rent free periods as there is a risk at present, in our view, of these being optimistic, and this could hinder scheme delivery.

- 3.27. **The recommendation is that the investment of £2.7m SCRIF investment in the Chesterfield Waterside project could proceed, subject to review of the appraisal assumptions by the promoter.** It is suggested that the funding agreement is prepared for consideration by both parties to allow clawback and overage mechanisms to be agreed. At the point where these details are confirmed a recommendation will be brought to enter into a funding agreement for this scheme.

5. Implications

Financial

- 1.1. Subject to a revised scheme appraisal, Chesterfield District Council will be seeking to enter into a funding agreement with SCR CA for the Chesterfield Waterside scheme. The SCR Finance Manager has programmed this spend within the SCR capital programme and funding is available if the scheme is given approval.

Legal

- 1.2. The funding agreement for the Chesterfield scheme will be prepared by SCR CA lawyers. The promoters will be consulted on the terms of the agreement such that if approved all parties are clear on the basis of the funding agreement.

Diversity

- 1.3. There are no diversity implications arising from this report.

REPORT AUTHOR: Neal Byers

POST: Strategy and Policy Manager

Officer responsible: Ben Still

Tel: 0114 254 1335

Email: ben.still@sheffieldcityregion.org.uk

Other sources and references:

None

ANNEX / APPENDIX:

None

This page is intentionally left blank

SHEFFIELD CITY REGION INFRASTRUCTURE EXECUTIVE BOARD
9 October 2015
AGENDA ITEM 5
SCRIF Programme Update

Summary

This paper provides an update on the current SCRIF programme and sets out a number of options to manage the programme.

1. Issue

- 1.1. To update partners on the SCRIF programme and risk assessment.

2. Recommendations

The Infrastructure Executive Board is asked to:

- 2.1. Note the current programme update, risks and exception reports
- 2.2. Consider whether the SCR Urban Development Fund is given conditional approval for £10million loan from the Local Growth Fund, subject to the presentation of an agreed investment strategy to the board
- 2.3. Consider the initial outcome of the Mini Commission testing to agree the next steps to bringing further schemes into the programme.

3. Background

Programme summary

- 3.1. SCR partners are currently progressing with the business case development of 15 transformational infrastructure schemes. The emphasis is now on progressing each of the schemes through the agreed business case appraisal process, to delivery. Some of the schemes have been split in to their component projects to enable early delivery of those parts that are most certain.
- 3.2. This section of the paper sets out the progress report for SCRIF. SCR are currently developing the programme management systems to improve the management of the Strategic Economic Plan and SCRIF. The reports presented to IEB will evolve overtime to adopt the agreed system.

Table 1 Programme highlight report

Project	Next Milestone	Status	Completion Date	Status	Next Month's Key Actions
M1 Junction 36 to Dearne Valley	Commence delivery	G	Sep-15	Preparation of funding agreement	Delivery and reporting
South Yorkshire Superfast Broadband	Commence delivery	G	Sep-15	Mobilisation	Delivery and reporting
Chesterfield Waterside	Commence delivery	G	Oct-15	Full approval presented for consideration of the Board	Promoter to confirm clawback proposition and revised appraisal.
Seymour Link – Markham Vale	Commence delivery	G	Sep-15	Preparation of funding agreement	Delivery and reporting
Sheffield City Centre	Grey to Green – In Construction	G	Dec-15	First claim made	Delivery and reporting
	University of Sheffield Phase 1 - Full approval	G	Dec-15	Full approval presented for consideration of the Board	Confirmation of tender prices and funding agreement
	New Retail Quarter - Stage 1B – Full business case	A	Dec-15	Full business case to be developed	Promoter to present full business case for review
	Knowledge Gateway - Stage 1B – Full business case	R	Dec-15	Significant delay experienced	Promoter to present full business case for review
Doncaster Urban Centre	Stage 1B – Full business case	A	Oct-15	Revised Highlight report provided	Development of full business case
Worksop and Vesuvius Works	Stage 1B – Full business case	A	Dec-15	Progress internal to promoter	CIAT engagement to monitor progress
Harworth Bircotes	Stage 1B – Full business case	A	Dec-15	Progress internal to promoter	CIAT engagement to monitor progress
Upper Don Valley	Stage 1B – Full business case	A	Dec-15	Progress internal to promoter	Submission of 1B business case
FARRRS Phase 2	Stage 2 – Statutory processes	G	Mar-16	Submission of 1B business case	Begin statutory processes
Doncaster DN7	Stage 2 – Statutory processes	G	Oct-16	1B Business case approved	Begin statutory processes
Chesterfield Northern Gateway	Stage 1B – Full business case	A	Jan-16	Progress internal to promoter	CIAT engagement to monitor progress
M1 Junction 37 Claycliffe	Stage 1A – Outline business case	A	Nov-15	Submission of 1A Business case delayed	Development of business case
West Moor Link Dualling	Stage 1A – Outline business case	G	Apr-16	Progress internal to promoter	CIAT engagement to monitor progress
Lower Don Valley	Stage 1A – Outline business case	A	Oct-15	1A business case presented for consideration	Meeting with DfT on retained scheme

Table 2 - Forecast spend profile as of 30/09/15									
Scheme	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021 onwards	Total SCRIF	
M1 Junction 36 TOTAL	£ 988,000	£ 10,212,750	£ 163,000	£ 5,708,825	£ 3,337,500	£ 4,015,000	£ -	£	24,425,075
M1 Junction 36 - Hoyland Phase 1	£ 968,000	£ 10,086,750		£ 5,708,825	£ 337,500			£	17,101,075
M1 Junction 36 - Goldthorpe Phase 2	£ 20,000	£ 126,000	£ 163,000		£ 3,000,000	£ 4,015,000		£	7,324,000
Superfast Broadband	£ 214,570	£ 2,009,417	£ 5,990,583	£ 2,400,000				£	10,614,570
Sheffield City Centre TOTAL	£ 10,840,922	£ 2,700,000	£ 4,382,000	£ 415,000	£ -	£ -	£ -	£	18,337,922
Central Business District/Moor/NRQ	£ 5,610,000							£	5,610,000
Sheaf Business District/SHU Knowledge Gateway	£ 100,000	£ 2,400,000	£ 500,000	£ 415,000				£	3,415,000
UoS Campus/Inner Ring Road - Phase 1	£ 2,891,922							£	2,891,922
UoS Campus/Inner Ring Road - Phase 2 (Brook Hill)		£ 300,000	£ 3,882,000					£	4,182,000
Riverside Business District - Grey to Green Phase 1	£ 2,239,000							£	2,239,000
Upper Don Valley TOTAL	£ -	£ 5,347,000	£ 6,257,000	£ -	£ -	£ -	£ -	£	11,604,000
Parkwood Springs		£ 3,847,000	£ 3,757,000					£	7,604,000
Claywheels Lane		£ 1,500,000	£ 2,500,000					£	4,000,000
Upper Don Valley Flood Elevation				£ 500,000	£ 2,000,000	£ 1,500,000		£	4,000,000
Chesterfield Waterside	£ 1,500,000	£ 1,200,000						£	2,700,000
Don Valley (Hatfield Link)		£ 1,875,000	£ 7,670,000	£ 3,000,000	£ 1,390,000			£	13,935,000
Don Valley (Smyour Link)	£ 3,780,000							£	3,780,000
Don Valley (MARRS Phase 2)		£ 7,100,000	£ 2,000,000					£	9,100,000
Chesterfield Northern Gateway		£ 5,000,000	£ 3,000,000	£ 600,000				£	8,600,000
M1 Junction 37 Claycliffe Link		£ 19,970			£ 700,000		£ 11,088,030	£	11,808,000
West Moor Link				£ 300,000	£ 8,950,000			£	9,250,000
Doncaster Urban Centre TOTAL	£ 830,000	£ 7,073,000	£ 8,187,000	£ 6,900,000	£ 900,000	£ -	£ -	£	23,890,000
Civic and Cultural Quarter		£ 635,000						£	635,000
Mansion House	£ 80,000	£ 2,200,000						£	2,280,000
Doncaster Market		£ 1,500,000	£ 500,000					£	2,000,000
Quality Streets			£ 1,250,000	£ 100,000				£	1,350,000
St Sepulchre West		£ 2,100,000	£ 2,200,000	£ 2,900,000	£ 900,000			£	8,100,000
Waterfront	£ 750,000		£ 3,600,000	£ 3,900,000				£	8,250,000
Lakeside		£ 638,000	£ 637,000					£	1,275,000
Waverley Lower Don Valley TOTAL	£ -	£ -	£ -	£ 1,100,000	£ 22,360,000	£ 2,000,000	£ 25,600,000	£	51,060,000
Waverley Lower Don Valley A630					£ 16,660,000		£ 25,600,000	£	42,260,000
Waverley Lower Don Valley Link Road				£ 1,100,000	£ 5,700,000	£ 2,000,000		£	8,800,000
Harworth Bircotes	£ 60,000	£ 780,000	£ 110,000					£	950,000
Worksop Vesuvius	£ 45,000	£ 455,000	£ 185,000	£ 730,000	£ 357,500		£ 1,125,000	£	2,897,500
TOTAL	£ 18,258,492	£ 43,772,137	£ 37,944,583	£ 21,153,825	£ 37,995,000	£ 6,015,000	£ 37,813,030	£	202,952,067
LGF Profile	£ 21,400,000	£ 25,000,000	£ 34,200,000	£ 11,400,000	£ 5,600,000	£ -		£	97,600,000
DfT Majors Profile	£ 9,100,000	£ 19,700,000	£ 25,700,000	£ 7,700,000	£ 400,000	£ 3,400,000	£ 50,400,000	£	116,400,000
Total Government Funding for SCRIF	£ 30,500,000	£ 44,700,000	£ 59,900,000	£ 19,100,000	£ 6,000,000	£ 3,400,000	£ 50,400,000	£	214,000,000
Difference of spend vs funding	£ 12,241,508	£ 927,863	£ 21,955,417	-£ 2,053,825	-£ 31,995,000	-£ 2,615,000	£ 12,586,970	£	11,047,933
Cumulative difference	£ 12,241,508	£ 13,169,371	£ 35,124,788	£ 33,070,963	£ 1,075,963	-£ 1,539,037	£ 11,047,933	£	

Exception reporting commentary

- 3.1. The following summarises the scheme marked red in Table 1 to explain the reasons for the rating and proposed mitigation or action.

Sheffield City Centre – Knowledge Gateway

- 3.2. The Knowledge Gateway will deliver development of the Hallam Campus and refresh of the Cultural Industries Quarter with improved accessibility for the mainline Railway Station in Sheffield City Centre. This is part of the Sheffield City Centre Masterplan supports the role of Sheffield Hallam University within the city centre.
- 3.3. This scheme is currently being developed to a full business case for consideration of the board. At the last board it was reported that the scheme was under review. This review has been complete by Sheffield City Council and a revised programme presented. Given the delay experienced to-date this scheme remains at risk until the board has seen demonstrable progress, initially though the presentation of the full business case.

Programme overview

- 3.4. The changes to the programme reported to previous boards and the update provided by scheme promoters in September has resulted in a forecast slippage of £12.2m in 2015/16, peaking in 2017/18 at £35m and headroom of £11m across the entire programme. This presents opportunities to bring forward other projects to take-up the slippage and headroom. Figure 1 below shows the cumulative difference between forecast spend and funding income. Figure 2 shows the in-year difference between spend and income.

Figure 1 Cumulative difference in forecast spend v income

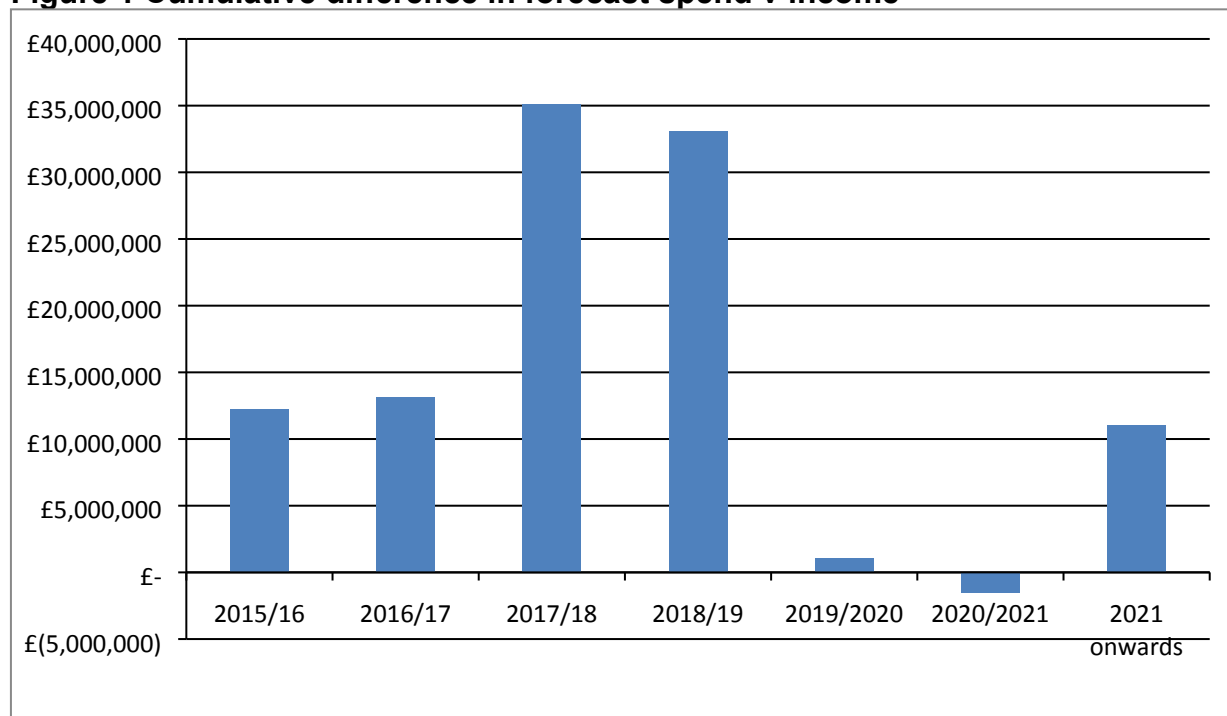
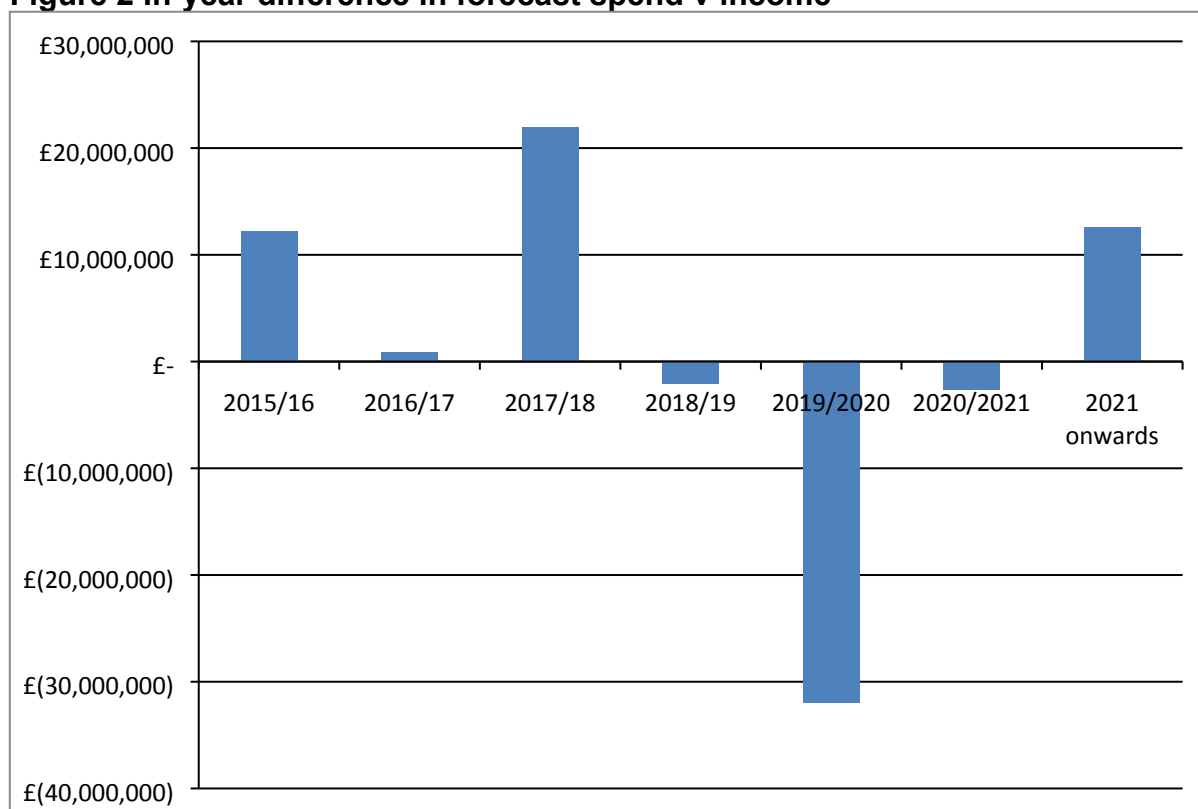


Figure 2 In-year difference in forecast spend v income



Programme change control

- 3.5. A full range of options is being developed for consideration by the Infrastructure Executive Board. These options are split into two main categories 1) Options to deal with slippage 2) Options to take-up headroom.

1) Slippage

- 3.6. At the last meeting of the Infrastructure Executive Board a number of options were presented for managing slippage. Further investigation of the options has indicated that the most viable solution is to consider a loan to the Urban Development Fund of up to £10million for a period of three years. A summary of the Urban Development Fund is provided in Appendix A. It is suggested that this would help to achieve the following:

- Focus on 'above ground' development, an issue identified by partners as a challenge for SCR to attract businesses
- Potential to link to ambitions at Enterprise Zones, accelerating take-up of key sites
- It would ensure the defrayal of the funds, demonstrating that SCR can deliver and work flexibly

- 3.7. If the principle of a loan to the Urban Development Fund is to be agreed the following terms and risks need to be further understood and accepted:

- This board would set the investment strategy, with advice from the existing JESSICA board

- The terms of the loan would need to ensure the funding is guaranteed to be returned within a suitable period and be clear on the risks associated to loan funding of this type
 - Clarity provided on what happens if the full funding cannot be returned or is delayed
- 3.8. The Board is asked to consider if this course of action should be followed, with the next step being for the lead of the Urban Development Fund to present a proposed Investment Strategy to the next Board. No funding will be made available until the Board is satisfied with the proposed Investment Strategy.

2) Headroom

- 3.9. The results of the mini commission testing need to be further refined and communicated to scheme promoter before a decision to include any additional scheme in the programme can be recommended. To help ensure that this step can be complete at the next meeting it is proposed that the board consider the basis for including schemes. This should build on the approach already agreed for the existing programme and reflect the more limited scale of the additional investment (headroom) currently available, ie £11m.
- 3.10. The principle question relates to whether we focus on simple prioritisation GVA per pound and draw a line or do we balance this against distribution of the benefits of the schemes that we can afford.
- 3.11. The first programme agreed by partners was based on the principle of developing a balanced programme that included over programming with the expectation of securing funding through devolution. The problem with this approach on this occasion is that by over programming we undermine the ability of the Integrated Infrastructure Plan to deliver as the funding is already committed. It is recommended that the board only considers an incremental approach within the current headroom, but that it remains prepared to activate additional schemes if further headroom becomes available.
- 3.12. It is suggested that deliverability should be the focus of taking schemes forward. To assess this the promoters will be asked to provide firm commitments to delivery by reassessing the previously provided information on delivery timescales. Where schemes cannot demonstrate deliverability in the short term (i.e. by 2018) these should be included in the consideration of schemes for the Integrated Infrastructure Plan.
- 3.13. The next steps are suggests as:
- Consultation with scheme promoters to discuss the outcome of scheme testing and clarify deliverability timescales
 - Presentation of testing results alongside strategic rationale and deliverability information to set out the proposed schemes to be included
 - Recommendation to include schemes within the programme to the November Board

4. Implications

Financial

- 4.1. The SCR Finance Manager and S151 Officer will be consulted on the proposed changes once the financial value and timing of any changes to the capital programme are agreed.

Legal

- 4.2. None as a result of this report.

Diversity

- 4.3. There are no diversity implications arising from this report.

REPORT AUTHOR: Neal Byers

POST: Strategy and Policy Manager

Officer responsible: Ben Still

Tel: 0114 254 1335

Email: ben.still@sheffieldcityregion.org.uk

Other sources and references:

None

ANNEX / APPENDIX:

A Summary of the Urban Development Fund

Appendix A

Urban Development Fund Summary

The SCR Urban Development Fund provides development finance (loans, equity, guarantee) to private sector developers looking to develop sites within Sheffield City Region. The funding vehicle is known as JESSICA and directly funds 'above ground' development according to an agreed investment strategy. The potential exists for the fund to support other development including housing and retail but it is expected that other funds will address the lack of access to finance in these areas. However it might be expected that the fund does get involved in mixed use schemes that produce economic outputs.

This option builds on the successful first round of the SCR JESSICA that is expecting to fully invest its £23m funding. Returns from these investments will not be paid back for, on average, three years leaving a gap in this facility over this period. It is proposed that an amount (suggested to be £10m) LGF is provided to be used as loan funding. As funding becomes recycled through the existing programme this will be made available for SCRIF to invest in the existing projects.

When projects repay their funding there is an option to either recycle the funds or return them to the Infrastructure Fund. The existing JESSICA fund is expected to recycle between £18m to £23m over the next 3 years.

SCRUDF Investment Strategy

The current investment Strategy is constrained by the funding to South Yorkshire and is focused on office and industrial development. The IEB has the option to consider alternative investment strategies. An Investment Strategy has been prepared for a separate purpose, but provides a good starting point for this board to consider. Some of the issues are set out below that will need to be agreed.

Geography

Widen to all SCR – the European funding in JESSICA at present is constrained to investments in South Yorkshire. In all cases it is proposed the strategy should consider all of SCR.

Timing

The board needs to consider the principle of the management of cash flow between SCRUDF and SCRIF. Is it acceptable for SCRIF schemes to incur delay (or the risk of delay) until the investment through SCRUDF is repaid?

Should existing funds in JESSICA that have recycled come back to SCRIF first (ie SCRIF is not waiting for the same pound that it put in to come out). This would be subject to a programme review to assess the cash flow position of SCRIF.

Fund management

It is proposed that the IEB commission the existing JESSICA Investment Board to undertake the oversight of this funding, using the established mechanisms. This will help to ensure investment can be progressed expediently.

The Fund would be managed by CBRE, the existing SCR JESSICA Fund Managers, and investments will be overseen by the JESSICA Investment Board currently made up by representatives from the 4 South Yorkshire Local Authorities and 4 LEP nominated members. With the Fund expanding to invest beyond South Yorkshire it is suggested that the membership could be reviewed.

This page is intentionally left blank

SHEFFIELD CITY REGION COMBINED AUTHORITY
INFRASTRUCTURE EXECUTIVE BOARD
9th OCTOBER 2015
SCR FUNDS UPDATE

Summary

- The paper provides an update of progress in respect of the SCR JESSICA and Growing Places Fund and outlines options for future activity.

1. Issue

This paper provides an update in respect of the development of the SCR JESSICA and Growing Places Fund.

2. Recommendations

It is recommended that the Infrastructure Executive Board:

- 2.1 Notes that the report.

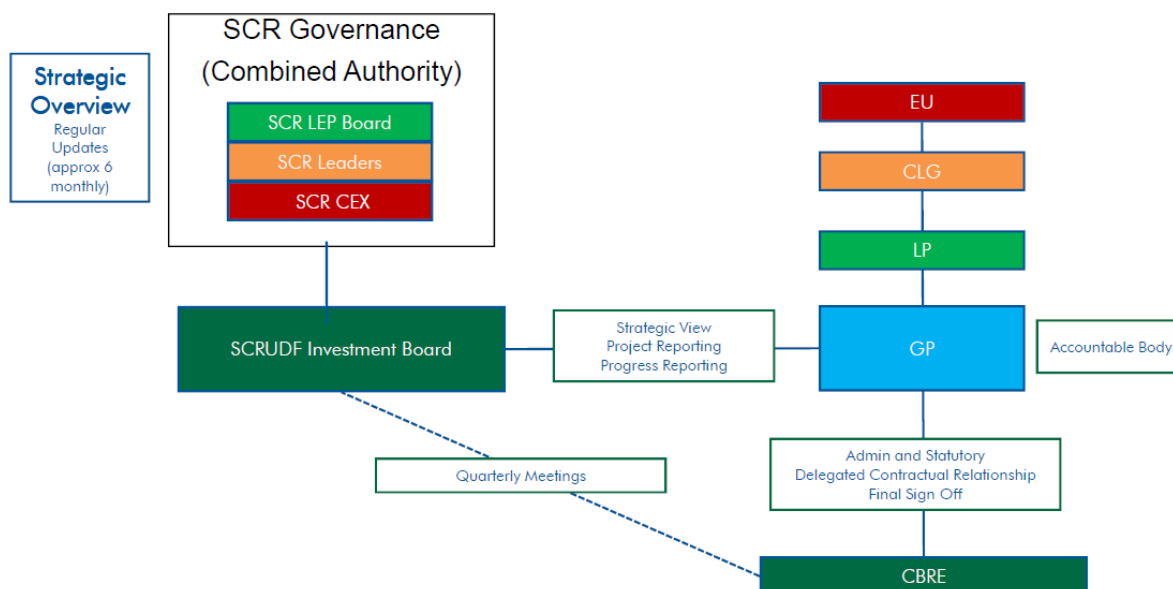
3. Background information

3.1 SCR JESSICA

The SCR JESSICA was established at the end of 2012 and launched in April 2013 as an investment fund to provide loans, equity investment and guarantees to commercial developments in South Yorkshire. The £23m fund has been capitalised with £8.1m Growing Places Fund and £15m ERDF from the South Yorkshire programme. The provision of ERDF means the Fund has to operate within strict regulations applied to Urban Development Funds that impact upon governance and the Investment Strategy. Sheffield City Council put in place the structure for the JESSICA which involved the establishment of a Limited Partnership, the creation of the General Partner and procurement of the Fund Manager – CBRE. The structure of the JESSICA is summarised below.

The Fund Manager is charged with finding eligible developments for investment and then taking a proposition to the JESSICA Investment Board (JIB) (aka the SCRUDF Investment Board) for approval as well as their own internal Board. The JIB is currently made up of 4 LEP nominated representatives and a

representative from each South Yorkshire Local Authority. The Board is chaired by the CEX of Sheffield City Council.



All proposals considered by the Fund are required to comply with the approved Investment Strategy that considers issues such as eligible sectors, geography, size of investment, state aid and outputs. As investments are repaid the Fund has the ability to recycle both the GPF and ERDF into further projects. In this context the GPF becomes free from ERDF regulations but the ERDF has to be spent on eligible activity for a second round before it becomes free from the strict regulations that apply.

3.2 Growing Places Fund (GPF)

In total £18m of GPF was allocated to the SCR in 2012 in the form of unrestricted capital funding, with Sheffield City Council acting as the Accountable Body. Apart from the restriction of capital use only, Government advised that GPF should be subject to Value for Money assessments and encouraged the use of funding in a recyclable manner.

Initial GPF investments were identified following open Calls for proposals with a focus on delivering infrastructure projects where activity has stalled. In 2013 it was considered more appropriate to align the GPF with JESSICA activity and responsibility of the selection of projects was passed to the JIB. All projects for GPF undergo Due Diligence and require final approval as SCC acting as the Accountable Body for the SCR. It has been agreed that SCC would not approve any capital GPF investment without JIB agreement.

4. Progress to Date

Both Funds have made significant progress in a difficult financial climate for property development in the region, indeed a number of investments have also required additional public sector support to make them viable. Nonetheless both Funds have invested in a range of projects that contribute to the development of the SCR economy. A summary of activity (finance and outputs) is provided below:

Growing Places Fund						
Allocation	£ 18,203,436	Loan	Grant	Guarantee	Fee	Interest
Contracted Projects	£ 16,271,876	£15,500,000	£ -	£ 771,876	£ 8,242	£ 327,750
Approved Projects	£ -	£ -	£ -	£ -	£ -	£ -
Project Pipeline	£ 2,188,354	£ -	£ 2,188,354	£ -	tbc	
Total	£ 18,460,230	£15,500,000	£ 2,188,354	£ 771,876	£ 8,242	£ 327,750
Balance	-£ 256,794					

JESSICA as at 24/06/15	Investment	Drawn	Outstanding	Repaid
Legally Complete	£ 18,185,567	£ 4,007,540	£14,194,162	£ 2,371,702
Stage 1 Approved	£ 3,900,000			
Total Investment	£ 22,085,567			
Pipeline Projects	£ 3,000,000			
Total Fund	£ 25,085,567			

Growing Places and JESSICA Outputs								JESSICA		GPF
Indicator	Floorspace	Jobs	Site	Roads	Housing Units	Public Match	Private Match	ERDF	GPF	
	sqm	No.s	ha	km	No.s	£'m	£'m	£'m	£'m	£'m
St Pauls Place	9,947	873	0.3			6.8	9.0	2.4	1.3	-
Re:volution @ AMP	4,831	330	2.9				0.6	1.5	0.8	-
Little Kelham	2,679	275	1.0				1.0	1.8	1.0	-
Steel City House	5,442	800	0.1				3.5	3.3	1.8	-
Rockingham	6,038	164	1.5				0.9	3.2	1.7	0.8
Sub-Total	28,937	2,442	6	-	-	7	15	12.2	6.6	0.8
JESSICA Balance								2.8	1.5	
JESSICA TOTAL	28,937	2,442	6	-	-	7	15	15.0	8.1	0.8
FARRRS		7,409		4.5	5,000	23.0	34.0			2.0
BRT(N)		5,900		0.8	900	31.0	-			3.0
Waterside			25.0		1,200		20.1			2.4
GPF Balance										1.9
Total	28,937	15,751	31	5.3	7,100	60.8	69.1	15.0	8.1	10.1

5. Future Activity

- 5.1 The SCR JESSICA has recently secured an extension to make first round investments by February 2016 with completion by June 2016. This extension should result in the final amounts of JESSICA and GPF invested in 3 developments in Sheffield, Doncaster and Rotherham. In addition the returns from a further project could see a fourth pipeline scheme being taken forward in Barnsley.
- 5.2 With some JESSICA funding becoming free of ERDF restrictions it gives the JIB the opportunity to review the Investment Strategy and in particular consider investment in a broader range of sectors, including mixed use developments and across the whole City Region and not just South Yorkshire. In this context the JIB will also need to review its representation to include non-South Yorkshire interests.
- 5.3 With the successful investment of GPF and JESSICA Funds in early 2016 the Fund finds itself in a position where it has built a good reputation and momentum but has very limited access to funds to invest until returns are made from first round developments. At the last meeting of the IEB an option to make SCRIF funds available on a loan basis was raised as an option to capitalise the fund until both GPF and JESSICA investment returns flow back into the Fund. This remains a real choice for the IEB to consider. In addition consideration will be given to accessing additional ERDF from the new ESIF Programme to create specific fund to support Low Carbon developments such as renewable energy schemes.

6. Implications

Financial

5.1 There are no financial implications for the Combined Authority resulting from this report.

Legal

5.2 There are no legal implications for the Combined Authority resulting from this report.

Diversity

5.3 There are no direct diversity implications raised through this paper.

Author: Ben Morley, on behalf of Sheffield City Region Executive.

Officer responsible: Ben Morley, on behalf of Sheffield City Region Executive

Tel: 0114 2232389

Email: ben.morley@sheffield.gov.uk

SHEFFIELD CITY REGION COMBINED AUTHORITY
INFRASTRUCTURE EXECUTIVE BOARD
9th OCTOBER 2015
SUSTAINABLE URBAN DEVELOPMENT

Summary

- The paper provides an update of progress in respect of the ESIF supported Sustainable Urban Development (SUD).

1. Issue

- The SUD is looking to provide over £7m ERDF funding to low carbon based projects in South Yorkshire. The Infrastructure Executive Board has been provided delegated powers from the Combined Authority to formally appraise SUD projects and either approve or reject.

2. Recommendations

It is recommended that the Infrastructure Executive Board:

- 2.1 Notes that the report.

3. Background information

The IEB will be aware that the SCR has been given the opportunity to develop an ERDF funded SUD as part of the 2014-20 ESIF Programme. Proposals for the SUD including its activity and governance have previously been circulated to the IEB as part of a consultation process in August 2015. Within the governance structure it is proposed that the IEB becomes the strategic decision making body of SUD projects on behalf of the Combined Authority.

On the 14th September the Combined Authority approved the creation of a SUD with the CA becoming the Intermediate Body responsible for the Selection of Operations with the SCR SUD. It further agreed that this responsibility should be delegated to the IEB subject to the SUD being submitted to and approved by DCLG and that the formal contract to operate the SUD is acceptable to the CA.

4. Role of the IEB

Subject to the SUD being formally agreed the IEB will undertake the following roles in respect of the SUD:

- 1) It will consider and approve all Calls for Proposals, having taken into account the advice of the ESIF Committee.
- 2) It will procure the appropriate appraisal of project submissions with a focus on strategic fit, deliverability and value for money.
- 3) It will approve or reject proposals for funding having taken into account the results of the appraisal analysis and the advice of the ESIF Committee.
- 4) It will act in accordance with the ERDF regulations in respect of project selection, noting that all activity may be subject to audit by DCLG and the Auditors of the European Commission.

It should be noted that in making decisions DCLG will retain responsibility for matters of compliance with the ERDF regulations and other technical matters such as State Aid and whether sponsors are fit for purpose. In addition Technical Assistance funding should be available to cover part of the cost for undertaking the activity outlined above.

5. Current Position

Consultation with local partners has helped develop the SUD strategy which has retained a focus on delivering low carbon capital interventions. However as part of the ESIF 'Refresh' process DCLG have advised that funding under Thematic Objective 5 (Climate Change Adaptation) and Thematic Objective 6 (Green Infrastructure) will no longer be available to Sheffield City Region. As a result there is ongoing dialogue with DCLG to determine how the key activities identified in the SUD could be delivered through alternative areas of the Programme. Once a clear position is established with DCLG a further consultation draft of the SUD Strategy will be issued for comment prior to formal submission. The IEB will again be consulted as part of this process.

6. Implications

Financial

5.1 There are no direct financial implications for the Combined Authority resulting from this report.

Legal

5.2 The Combined Authority has considered the option for becoming the Intermediate Body for the SCR SUD and agreed to undertake this role, with project decision making delegated to the IEB.

Diversity

5.3 There are no direct diversity implications raised through this paper.

Author: Ben Morley, on behalf of Sheffield City Region Executive.

Officer responsible: Ben Morley, on behalf of Sheffield City Region Executive

Tel: 0114 2232389

Email: ben.morley@sheffield.gov.uk

Record No.	
------------	--

For audit trail - JAGU to complete

Executive Board Decision Record

Executive Board	
Date:	

<i>Senior Officer Endorsements</i>	
Executive Director	
Monitoring Officer (In absence of Executive Director)	
S151 Officer	

Records of decisions are public documents

Decision Taken - Summary

Supporting notes and contextual Information

Is additional due diligence recommended by the Board?

Yes	
No	

Use this section to indicate if, in the Board's opinion, further due diligence by Senior Officers, or additional advice is needed. This will help highlight concerns and facilitate smoother final sign off

This page is intentionally left blank