Sheffield City Region COMBINED AUTHORITY

INFRASTRUCTURE EXECUTIVE BOARD

Date: Friday 22 April 2016
Venue: Meeting Room 1, 1st Floor, 11 Broad Street West, Sheffield
Time: 10.00 am

AGENDA

Item	Subject	Method	Lead	Page
	Introduction			
1	Welcome and Apologies	Verbal	Chair	
2	Declarations of Interest	Verbal	All	
3	Urgent Items/Announcements	Verbal	All	
	Business Items			
4	Appraisal Panel Business Case Recommendations	Paper	N Byers	1 - 36
5	Scheme Refinement Outcome and Next Steps	Paper	N Byers	37 - 40
6	IIP Update	Presentation	D Allatt, V Prajapati	
7	IIP Summit	Presentation	D Allatt, V Prajapati	
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	Updates			
9	Infrastructure Executive Board Minutes	Paper	Chair	47 - 52

Item	Subject	Method	Lead	Page
	Actions & Forward Planning			
10	Agree Actions	Verbal	Chair	
11	Agree Items for Combined Authority Meeting 9 May 2016	Verbal	Chair	
12	Any Other Business	Verbal	All	

Sheffield City Region
COMBINED AUTHORITY

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

22 APRIL 2016

APPRAISAL PANEL BUSINESS CASE RECOMMENDATION

Summary

Recommendations are presented by SCR Appraisal Panel for consideration at Executive Board and if necessary for onward reporting to the Combined Authority.

The SCR Appraisal Panel has reviewed Business case applications for four schemes and the technical recommendations are now presented for consideration. These schemes are:

- **Worksop and Vesuvius Phase 1**
- **Bus Rapid Transit North**
- **Olympic Legacy Park**
- **Peak Resorts**

1. Issue

1.1. The Board are asked to consider the recommendations to progress scheme business cases.

2. Recommendations

2.1. Consider and agree the recommendation for Worksop and Vesuvius to progress to full approval. This recommendation would be considered by the SCRCA.

2.2. Consider and agree the recommendation for Bus Rapid Transit North to progress to full approval, noting the condition. This recommendation would be considered by the SCRCA.

2.3. Consider and agree the recommendation for Olympic Legacy Park to progress to full approval, noting the conditions. This recommendation would be considered by the SCRCA.

2.4. Consider and agree the recommendation for Peak Resorts to progress to full approval, noting the conditions. This recommendation would be considered by the SCRCA.

3. **Background Information**

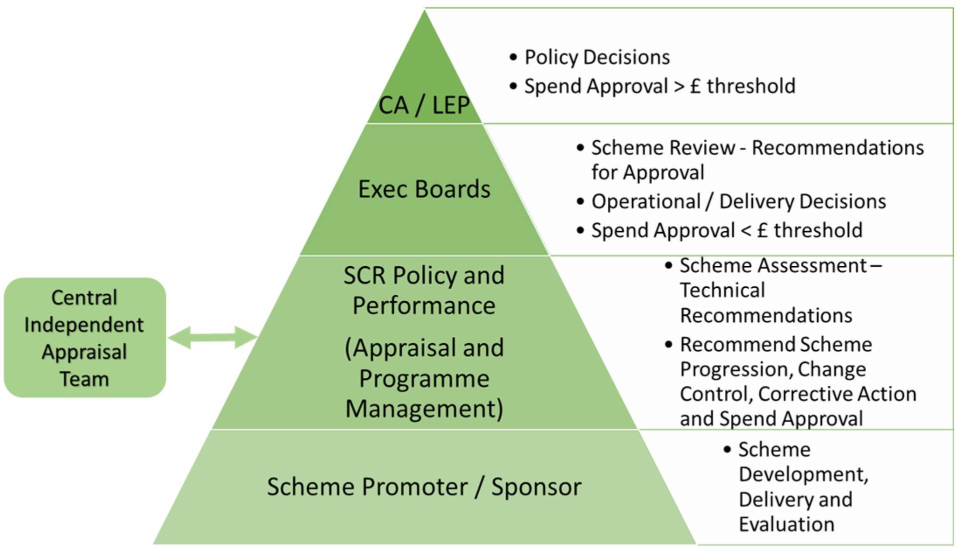
3.1. SCR Assurance Framework requires that all schemes seeking investment undergo a thorough and proportionate scheme appraisal following the Treasury Green Book approach.

3.2. Before papers are submitted to Executive Boards an independent technical appraisal has been undertaken and reviewed by a panel of Officers representing the Statutory Officers of the SCR Executive. Where appropriate due to the scale / risk and complexity of the project this is supplemented by external appraisal from a panel of Consultants referred to as Central Independent Appraisal Team (CIAT).

3.3. The technical appraisal will scrutinise the business case documents submitted by scheme promoters to ensure completeness and test the responses to each of the 5 cases (Strategic, Economic, Financial, Management and Commercial) and will present their findings for each case and the project overall.

3.4. These findings will inform the 151 Officers view regarding the Value for money Statement and the Monitoring Officers view regarding the relative risks of the scheme presented.

3.5. A recommendation will be made by the SCR Appraisal Panel for consideration at Executive Board and if necessary for onward reporting to CA subject to the value of investment requested. The diagram below is extracted from the SCR Assurance Framework and represents the decision making hierarchy required for project investment.



3.6. This period SCR Appraisal Panel has reviewed Business case applications for four schemes and the technical recommendations are now presented for review. These schemes are:

- Worksop and Vesuvius Phase 1
- Bus Rapid Transit North
- Olympic Legacy Park
- Peak Resorts

Worksop Site Delivery and Vesuvius Project has been reviewed at **Full** business case stage by SCR Appraisal Panel following detailed appraisal by CIAT Team and is now recommended to progress to **Full Approval and award of contract.** A summary of the Appraisal is attached at **Appendix A.**

Project Synopsis

This is the first phase of a two phased project. Phase one includes delivering one of the six road improvements (which make up the total project). The road improvement being delivered is A60/A57/B6024 St Anne's Drive Roundabout.

This first road improvement has secured other public funding from the D2N2 LEP and there are capital monies that have been allocated from Nottinghamshire County Council. Drawdown of these funds is reliant upon work commencing on site by the end of the 2015/16 financial year. However, there is a shortfall of £0.5m to fully fund the project, which we have previously sought from the SCR as part of the wider Worksop package. Therefore, this small investment of £0.5m will unlock the other public investment secured in this time sensitive situation.

The intention is to improve the flow of traffic by localised carriageway widening and the introduction of traffic signal control and other pedestrian and cycle improvements to facilitate the safer operation of the junction.

The project is seeking investment of **£0.5M** from SCR and has a total estimated final cost of **£1.938M** and has demonstrated a strong Strategic case.

The Value for money category indicated at appraisal is **high** with a benefit to cost ratio of **10.6**. The project is considered to be State Aid **Neutral** in relation to SCR investment.

The Financial and Commercial case of the project have indicated that the risk category of the project is **Low** and as such the recommendation to procced is made on the basis that clawback in relation to outcomes **will not** be required.

Works commenced in **February 2016** and will complete in **October 2016**.

<u>Recommendation</u>

Having reviewed the scheme Technical Appraisal completed by CIAT, SCR Appraisal Panel recommend;

- Approve progression of **Worksop Site Delivery and Vesuvius** to **Full Approval and Award of Contract at a cost £0.5M to SCR** CA with the following conditions;
    - The Grant will be awarded to **Bassetlaw District Council;**
    - This will be the maximum value of investment from SCR funds for this scheme.
    - Clawback Clauses in relation to outcomes **will not** be required as part of the Funding Agreement
    - Payments of SCR CA Grant will be made in arrears based on defrayals
- Onward reporting to **IEB / CA** for Approval

Bus Rapid Transit (BRT) North Project has been reviewed at **Full** business case stage by SCR Appraisal Panel following detailed appraisal by CIAT Team and is now recommended to progress to **Full Approval and award of contract.** A summary of the Appraisal is attached at **Appendix B.**

Project Synopsis
This Scheme is about unlocking the Growth potential in the Lower Don Valley by providing an alternative route for local traffic travelling between Rotherham and Sheffield without the need to use J34 South of the M1. This lifts a limit on build out and redevelopment of brownfield sites in the area; many of which are actively progressing.
This project delivers a 12km Bus Rapid Transit link between the urban centres of Sheffield and Rotherham via the Lower Don Valley corridor, the main features of the scheme are as follows:

- A new highway link under the M1 (named “Tinsley Link”) between Meadowhall Way and Sheffield Road incorporating high levels of priority for public transport. This will provide highway capacity to allow development with existing consents to be built out as well as for future developments. It also helps relieve congestion at Junction 34 (South) of the M1.
- priorities for BRT at congested sections of the routes, revised junction layouts and traffic signal control with intelligent detection to provide BRT priority at junctions, signal improvements and minor highway works to reduce delays, frequent and reliable BRT service; High quality, low emission vehicles with capacity to provide a high-volume rapid transit network will then be delivered commercially by bus operating companies and purpose-built stops, providing a high quality waiting environment, coupled with real-time passenger information.
- **A key part of this bid is the inclusion of the remediation required to address land contaminants discovered on site.**
- Reclamation, landscape enhancements and sustainable water features creating a high quality gateway to the Sheffield/Rotherham Don Valley Corridor and adjacent development sites along the Tinsley Link

The project is seeking investment of **£4.02M** from SCR and has a total estimated final cost of **£36.8M** and has demonstrated a strong Strategic case.

The Value for money category indicated at appraisal is **high / very high** with a benefit to cost ratio of **3.5 / 5.9 with wider impacts**. The project is considered to be State Aid **Neutral** in relation to SCR investment.

The Financial and Commercial case of the project have indicated that the risk category of the project is **low** and as such the recommendation to procced is made on the basis that clawback in relation to outcomes **will not** be required.

The scheme is already on site, works commenced on **4th January 2014** and are due to complete in **September 2016.**

Recommendation

Having reviewed the scheme Technical Appraisal completed by CIAT, SCR Appraisal Panel recommend;

- Approve progression of **BRT North Project** to **Full Approval and Award of Contract** at a cost of **£4.02M** to SCR CA with the following conditions;
  - The Grant will be awarded to **South Yorkshire Passenger Transport Executive;**
  - This will be the maximum value of investment from SCR funds for this scheme.
  - Clawback Clauses in relation to outcomes **won’t** be required as part of the Funding Agreement.
  - Before funds will be released the scheme promoter is to confirm that the BCR remains above 2.0 when the revised route run times are taken into account.
  - Payments of SCR CA Grant will be made in arrears based on defrayals.
- Onward reporting to CA for Approval

Olympic Legacy Park (OLP) Project has been reviewed at **Full** business case stage by SCR Appraisal Panel following detailed appraisal by CIAT Team and is now recommended to progress to **Full Approval and Award of Contract.** A summary of the Appraisal is attached at **Appendix C.**

Project Synopsis
This project to creates a 9.6Ha serviced site with infrastructure and utilities that will facilitate the delivery of the £42.36m Olympic Legacy Park.
The SCRIF funded infrastructure package comprises the utilities, drainage, hard and soft landscaping within the overall red line site boundary of the previous Don Valley Stadium and excluding any works within the red line boundaries for each of the plots.
When complete OLP will
Floor Space; The OLP will create 19,390m2 of mixed use development (excluding pitch and associated works) including 15,450m2 of private sector business space
Location; OLP is located off Attercliffe Common. It is well served by public transport; Supertram, Bus Rapid Transit and the number 69 bus route. It will also be a stopping point for the Train-Tram when this becomes operational
Timescale; Target completion (for the infrastructure based project) is February 2017
Outputs and Economic benefits

- Indirectly exploit IP generated by the AWRC and attract £3m pa funding from the private sector: 10 at Tier 1 and 10 at Tier 2 level
- Create 912 (gross) new FTE jobs (73 direct, 839 indirect)
- Gross GVA of £144.5m (NPV over a 15-year period) equating to £29.5 GVA per £1 SCRIF

The project is seeking investment of **£4.9M** from SCR and has a total estimated final cost of **£9.11M** and has demonstrated a strong Strategic case.

The Value for money category indicated at appraisal is **good** with a benefit to cost ratio of **10.7** with a cost per job of **£19k**. The project is considered to be State Aid **Neutral** in relation to SCR investment.

The Financial and Commercial case of the project have indicated that the risk category of the project remains **medium** and as such the recommendation to procced is made on the basis that clawback in relation to outcomes **may** be required.

Following approval, the scheme is due to commence delivery in **August 2016** and complete in **February 2017**.

Recommendation

Having reviewed the scheme Technical Appraisal completed by CIAT, SCR Appraisal Panel recommend;

- Approve progression of **Olympic Legacy Park Project** to **Full Approval and Award of Contract at a cost £4.9M to SCR CA** with the following conditions;
    - The Grant will be awarded to **Sheffield City Council;**
    - This will be the maximum value of investment from SCR funds for this scheme.
    - Clawback Clauses in relation to outcomes **may** be required as part of the Funding Agreement in relation to ensuring outcomes until such time as the Scheme Promoter is able to demonstrate to the satisfaction of the 151 Officer and Monitoring Officer that the risks have been reduced such that:
        - Tier 1 Partners have confirmed intention to enter into contract and
        - A revised investment / viability appraisal has been agreed.
    - Payments of SCR CA Grant will be made in arrears based on defrayals.
- Onward reporting to **CA** for Approval

Peak Resort Project has been reviewed at **Full** business case stage by SCR Appraisal Panel following detailed appraisal by CIAT Team and is now recommended for approval to progress to **Full Approval and Award of Contract.** A summary of the Appraisal is attached at **Appendix D.**

Project Synopsis

SCRIF funding is being sought to unlock a 300 acre (part former opencast mine) site, located within close proximity to Chesterfield and the Peak District for a mixed-use all year round tourism, leisure and education destination. Peak Resorts will be a major leisure/tourism/education destination that could provide 35,000 sq m (GIA) of new floorspace within the first phase of development and once completed, provide up to 115,000 sq m (GIA) floorspace in total across all 3 phases. The Peak District is a key physical and economic asset for the City Region and has the opportunity for growth to include an enhanced offer for higher value visits, including additional domestic and international overnight visitors. It is understood that the Peak District is lacking in good quality accommodation with day visitors outnumbering staying visitors by ten to one.

£2.85m of SCRIF funding is being sought to deliver upfront site infrastructure in order to unlock phase one of the site. Specifically, these infrastructure works will include; improving the existing A61 interchange to include a new roundabout, footpaths and provision for a new perimeter bridleway/greenway for public access with associated parking, fencing to secure the perimeter of the estate and off-site improvements to cycleway and pedestrian links to wider public networks

The project is seeking investment of **£2.85M** from SCR and has a total estimated final cost of **£84M** and has demonstrated a strong Strategic case.

The Value for money category indicated at appraisal is **good** with a benefit to cost ratio of **19.** The project is considered to be State Aid **Neutral** in relation to SCR investment.

The Financial and Commercial case of the project have indicated that the risk category of the project remains **medium to high** and as such the recommendation to proceed is made on the basis that clawback in relation to outcomes **may** be required.

Following approval, the scheme is due to commence delivery in **June 2016** and complete in **September 2018**.

<u>Recommendation</u>

Having reviewed the scheme Technical Appraisal completed by CIAT, SCR Appraisal Panel recommend;

- Approve progression of **Peak Resort Project** to **Full Approval and Award of Contract at a cost £2.85M to SCR CA** with the following conditions;
    - The Grant will be awarded to **Chesterfield Borough Council;**
    - This will be the maximum value of investment from SCR funds for this scheme.
    - Clawback Clauses in relation to outcomes **may** be required as part of the Funding Agreement in relation to ensuring outcomes until such time as the Scheme Promoter is able to demonstrate to the satisfaction of the 151 Officer and Monitoring Officer that the risks have been reduced such that:
        - A copy of the Joint Venture Agreement has been received providing certainty of the funding / development approach to phase 1;
        - A revised investment / viability appraisal has been agreed demonstrating the lack of scheme viability without private sector support and
        - Greater certainty is provided in relation to Private sector funding contributions.
    - Payments of SCR CA Grant will be made in arrears based on defrayals.
- Onward reporting to **CA** for Approval

4. **Implications**

i. Financial

Financial implications have been fully considered by a representative of the S151 officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

ii. Legal

Legal implications have been fully considered by a representative of the Monitoring officer and included in the recommendations agreed by the Appraisal Panel as presented in this report.

iii. Diversity

None as a result of this report

iv. Equality

None as a result of this report

REPORT AUTHOR	**Neal Byers**
POST	SCRIF Coordinator

Officer responsible: **Julie Hurley Director of Transport**
SCR Executive
0114 220 3445 julie.hurley@sheffieldcityregion.org.uk

Other sources and references:

Appendix A Worksop and Vesuvius Summary Appraisal Report
Appendix B BRT(N) Summary Appraisal Report
Appendix C Olympic Legacy Park Summary Appraisal Report
Appendix D Peak Reports Summary Appraisal Report

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Worksop Site Delivery and Vesuvius – PHASE 1 Summary Appraisal Report

CIAT recommendation to Appraisal Panel

This scheme has previously been considered by the IEB (in December 2015 and February 2016) and the full business case has been approved. When presented in December there was a reported discrepancy within the business case and supporting evidence which related to the forecast job numbers the scheme supported. As a result the scheme promoter was required to resolve this before full approval was sought. At the February board the scheme was presented to the Board to be considered for full approval. The Board sought greater clarity on the funding position of the scheme and any implication on Bassetlaw's intension to join SCR CA as a statutory member.

Nottinghamshire County Council continue to support the scheme and have underwritten SCRIF investment so that works can commence. D2N2 has already approved their contribution to the scheme which was assessed using their own appraisal approach. It is suggested that all requirements have been met and we should seek to recommend Full Award via IEB to the CA.

PROMOTER'S INFORMATION	
Promoting Organisation:	Bassetlaw District Council
Contact name and role:	David Armiger (Director of Regeneration and Neighbourhood Services)
Address:	Bassetlaw District Council, Queens Street, Worksop. Nottinghamshire. S80 2AH
Email:	David.Armiger@bassetlaw.gov.uk
Telephone:	01909 535103
SCHEME DETAILS	
Scheme name:	Worksop Site Delivery And Vesuvius – PHASE 1
Scheme location:	Worksop, North Nottinghamshire
Lead delivery organisation:	Bassetlaw District Council
Other delivery partners & roles:	Nottinghamshire County Council
Scheme Type (refer to and complete Annex 1)	T1
Which category / code does the majority of your scheme fall within:	T1
Total Scheme investment:	Phase 1: £2.438m (one road improvement to be delivered by 2016/17) Total scheme[1]: £12.038 m (six separate road improvements to be delivered over 10 years) 2015-2025)
Total Private investment:	Total scheme: £7.20m from private investment (£0.45m from developer contributions & £6.75m from CIL payments)

[1] This includes phase 1.

Total Other public sector investment (non-SCRIF funding):	Phase 1: £1.938m from public sector investment (£0.108m Nottinghamshire County Council & £1.83m D2N2 LTB*)*		
Total SCRIF funding sought (£):	Phase 1: £0.5m Total: £2.9m	SCRIF as % of total scheme investment:	Phase 1: 20.5% Total: 24.0%

SUMMARY OF THE SCHEME BUSINESS CASE

Please provide a summary description of your scheme (approx. 300 words). Append any graphics.

[Description to include a summary of scheme purpose, required investment, location, and direct and indirect benefits that will be delivered]

This is the first phase of a two phased project. Phase one includes delivering one of the six road improvements (which make up the total project). The road improvement being delivered is A60/A57/B6024 St Anne's Drive Roundabout (see Appendix A).

This first road improvement has secured other public funding from the D2N2 LEP and there are capital monies that have been allocated from Nottinghamshire County Council. Drawdown of these funds is reliant upon work commencing on site by the end of the 2015/16 financial year. However, there is a shortfall of £0.5m to fully fund the project, which we have previously sought from the SCR as part of the wider Worksop package. Therefore, this small investment of £0.5m will unlock the other public investment secured in this time sensitive situation.

The proposed road improvement is shown in Appendix B. The intention is to improve the flow of traffic by localised carriageway widening and the introduction of traffic signal control and other pedestrian and cycle improvements to facilitate the safer operation of the junction.

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)

Please summarise your assessment of the scheme's strategic case and set out any recommendations

The Phase 1 scheme does have a clear rationale and is aligned to specific SCR Growth Plan objectives by focusing on employment and economic growth. The evidence presented to support the scheme rationale is reasonable with a clear focus on facilitating growth in specific firms. This will allow accurate monitoring of the projected employment and economic benefits.

The assessment of alternative options is limited in its scope considering "No SCRIF" and "Reduced SCRIF" funding positions. One of the key justifications in selecting the preferred option is to avoid delay in scheme delivery and the loss of match funding from D2N2 to deliver the scheme. The argument here also points to the lack of suitable alternatives to SCRIF monies for the scheme. The current funding position needs to be clarified and aligned here to ensure it is consistent with the argument presented.

The later economic case considering employment and GVA impacts demonstrates no economic additionality and no improvement in value for money in choosing the Preferred option over the No SCRIF option. The central argument for the use of SCRIF is to secure the economic outputs for the project earlier and guard against them being lost with the related loss of D2N2 funding.

Please summarise your assessment of the scheme's commercial case and set out any recommendations

The commercial case presents reasonable evidence of demand based on the planned investment from two key private sector occupiers who provide positive feedback on the impacts of the scheme and their subsequent investment and job creation plans. These outputs are indirect and nature and this should be referenced Some element of optimism bias should be factored in to this supporting evidence given the potential bias in occupiers views. The recent announcement on the D2N2 funding commitment to the scheme provides a significant boost to the deliverability of the scheme and its overall viability

The demand case for phase 1 also presents evidence and potential outputs relating to phase 2 of the scheme

which are also indirect and longer term in nature. As such these are inherently higher risk and there is only limited evidence that the space would be taken up and developed over the longer term. Evidence of demand for future take up (and as such achievement of indirect economic and commercial outputs) has been presented based on analysis for the core strategy and work commissioned from Savills on market demand. In addition the current planning status is also used as an indicator of market interest. This does demonstrate some better visibility of future demand from the Stage 1a business case but is still no guarantee of what are currently long term projections of growth.
Please summarise your assessment of the scheme's economic case and set out any recommendations **Transport economic appraisal** A review of the Stage 1B Business Case and supporting documents was carried out to assess their fit for purpose and alignment to WebTAG appraisal standards. The scope of the review was limited to the summary information provided and Section 3B, the transport economics and supporting modelling work. The summary information provided in the Business Case is robust, though it should focus solely on the Phase 1 scheme, for which SCRIF funds are requested in this case. The transport economic appraisal is presented through a series of technical documents produced by WYG Group. On the whole, the modelling approach and methodology used is sound and outputs sensible for a scheme of this nature. There is some argument as to whether a shorter appraisal period could have been used to reflect the scheme's realistic design life. From SCRIF appraisal guidelines, this scheme in isolation fell below the £5m threshold requirement for full WebTAG appraisal. However this approach has been taken, and overall follows the guidelines correctly to produce sensible outputs and a BCR of 10.6. While potentially over-exaggerated, it is still within reasonable bounds to represent a high value-for-money scheme. **Wider economic appraisal** The value for money of the preferred option is good based on the unit costs per job and benchmarks presented. The figures shown should be treated with some caution given their potential optimism. Wider additionality on the basis of the preferred phase 1 scheme data compared with the No SCRIF option is poor based on the data presented. There are also discrepancies within the job figures used for both phases of the scheme within the case. This case is only concerned with Phase 1 but all figures should be revisited throughout. There are issues of potential double counting of outputs given multiple LEP growth fund monies to be utilised and potential claims for outputs for both sources. A suitable means of allocating outputs to reporting should be identified as part of the conditions for approval of funding.
Please summarise your assessment of the scheme's financial case and set out any recommendations Other funding from D2N2 has now been confirmed (based on information received from SCR LEP) which significantly improves the financial risk position on the project since the Stage 1A submission. In achieving this, the project proposal has also been reviewed and appraised independently and as such this offers an additional level of risk management. The financial risks are being managed appropriately and responsibility for funding any over runs of the are taken on by Nottingham County Council on the capital build element of the scheme and also for the longer term maintenance of the asset created. This helps limit the risk to the SCRIF funding being asked for this phase 1 proposal. The financial case however also rests on the economic (transport, employment and GVA outputs) that the phase 1 scheme produces. Currently the transport assessment shows a high value for money scheme that on this basis would be recommended for funding. Whilst the value for money (based on unit cost per job) also appears to be positive based on the preferred option there is not net additionality of employment or GVA when comparing the preferred option with the No SCRIF option. Based on the information presented the scheme finances have been assessed appropriately by Nottinghamshire County Council who have experience in the design and development of similar schemes. Many of the costs identified are indicated as definitive however the major risk in financial and project terms is the current lack of pricing on the utilities infrastructure costs that accompany the scheme. Whilst the applicant is clear that this unknown can be managed and a strategy in place to achieve this, further work to pin down this cost element would help reduce the project's risk profile.

Please summarise your assessment of the scheme's management case and set out any recommendations The management case is reasonable and puts in place a range of suitable measures to deliver the scheme and manage risks. However as above the key risk for the scheme is associated with the currently unknown costs associated with the provision of utilities to the scheme. If these are significantly higher than estimated there is the risk of further delay and knock on implications on funding requirements. Before approval for funding the costs should be identified.
Summarise your overall assessment of the scheme and recommendations for SCR A review of the Stage 1B Business Case and supporting documents provided was carried out to assess their fit for purpose and alignment to relevant guidance and WebTAG appraisal standards. The Phase 1 scheme is a good fit with the wider Sheffield City region objectives and could deliver employment and GVA outcomes. Phase 1 (and Phase 2) of the scheme's economic outputs are based on facilitating the development of existing businesses (Phase 1) and future development of commercial and residential property (phase 2). As such both phases are relying on external parties to deliver indirect outputs. In the case of phase 1 the evidence of possible impacts is reasonable although should be adjusted for optimism bias, the level of risk in achieving economic outcomes is also more limited in this instance. As such the phase 1 scheme represents a reasonable prospect of economic return for SCR for the requested funding. The value for money to be achieved by the scheme is high based on the transport economic appraisal which returns a good cost to benefit ration and Net present value. Similarly the presentation of unit costs as a means of representing value for money of the preferred option returns a positive if not optimistic result. However there is no net additionality represented by the current analysis of employment creation impacts and GVA in the preferred option relative to the No SCRIF option. The key argument presented here is the ability of SCRIF to facilitate early achievement of the project and predicted outputs through helping to lever and support the wider D2N2 funding contribution which may be lost with further delay. This is a key consideration for the board in whether to approve the phase 1 project for funding. The project applicant should also set out a process for avoiding the double counting of indirect outputs across different funding partners. The transport economic appraisal is presented through a series of technical documents produced by WYG Group. On the whole, the modelling approach and methodology used is sound and outputs sensible for a scheme of this nature. There is some argument as to whether a shorter appraisal period could have been used to reflect the scheme's realistic design life. From SCRIF appraisal guidelines, this scheme in isolation fell below the £5m threshold requirement for full WebTAG appraisal. However this approach has been taken, and overall follows the guidelines correctly to produce sensible outputs and a BCR of 10.6. While potentially slightly over-exaggerated, it is still within reasonable bounds to represent a high value-for-money scheme. The costs for utilities infrastructure are not yet identified which could represent a significant risk for the project. These should be identified and agreed with providers to ascertain the impact on project finances and the appropriate mitigation to deal with any adverse consequences identified. In a similar vein Phase 1 is identified as the first part of the wider scheme which will open up future development land on which many of the phase 2 job and GVA related outputs will be reliant. The phase 2 business case will need to have further evidence presented of the likely take up and demand for housing and commercial land to make a case for a larger ask of SCRIF funding which is not covered within the remit of this work. The Phase 1 scheme has been successful in achieving match funding from D2N2 for a much larger share of the overall cost. In a similar context the project applicant, Nottinghamshire County Council have agreed within the business case to underwrite any project overruns and take on long term management of the assets created. This provides both additional assurance for the scheme and reduces the risk to SCRIF funding. This provides further support to the recommendation to fund the phase 1 works as requested assuming that the other conditions identified above are met.

Bus Rapid Transit North Summary Appraisal Report

CIAT recommendation to Appraisal Panel

South Yorkshire Passenger Transport Executive is seeking Full Approval of the BRT(N) scheme. The overall case for investment is strong, across all 5 cases of the business case. The business case was submitted in February 2016 and CIAT has undertaken three separate rounds of review and clarification to ensure the business case requirements are met. There remains one aspect of clarification which relates to the proposed journey time of the service. This is not expected to undermine the value for money of the scheme, but analysis is recommended to confirm the position. It is proposed there is a need for evidence to be provided that confirms the BCR remains high.

The scheme is already on-site and has previously secured approval from the Department of Transport.

It is suggested that Full Approval is recommended to the IEB with the condition to confirm that the BCR remains above 2.0 when the revised route run times are taken into account. This recommendation should presented to the IEB and then CA for consideration.

PROMOTER'S INFORMATION	
Promoting Organisation:	SCC
Contact name and role:	Gavin Bland, Principal Project Manager
Address:	11 Broad St West, Sheffield, S2 5BQ
Email:	Gavin.Bland@sypte.co.uk
Telephone:	0114 22 11 220
SCHEME DETAILS	
Scheme name:	BRT North
Scheme location:	The Bus Rapid Transit Northern Route (BRT North) will run between Sheffield centre and Rotherham centre, through the Lower Don Valley, principally following the alignment of the A6178.
Lead delivery organisation:	SYPTE
Other delivery partners & roles:	SCC and RMBC (Highways Infrastructure work package leaders)
Scheme Type (refer to and complete Annex 1)	T1 – Tinsley Link – new road, T4 – BRT Route connecting Rotherham and Sheffield and T6 – Intelligent Traffic Signals E2 – Removal of significant levels of Asbestos
Which category / code (Annex 1) does the majority of your scheme fall within:	T1
Total Scheme investment:	£36,830,399
Total Private investment:	£4,340,000
Total Other public sector investment (non-SCRIF funding):	£28,475,312

Total SCRIF funding sought (£):	£4,015,087	SCRIF as % of total scheme investment:	11%

SUMMARY OF THE SCHEME BUSINESS CASE
Please provide a summary description of your scheme (approx. 300 words). Append any graphics. *[Description to include a summary of scheme purpose, required investment, location, and direct and indirect benefits that will be delivered]*

The SCR Strategic Economic Plan has identified seven long term spatial areas of growth and change where a significant proportion of growth is expected to occur. This includes the Sheffield Rotherham Don Valley Corridor (SRDVC) which contains the largest cluster of modern manufacturing in the SCR, and includes Meadowhall, a major regional retail centre, first class sporting facilities at UK Institute of Sport and Ice Sheffield and a popular regional cultural attractions at Sheffield Arena and Centertainment. These growth areas are set out in Figure 13 on page 31 of the SEP.

The SRDVC was identified from 2001 census data as the most heavily used transport corridor for travel to work/study etc in the region with over 23,000 daily travel to work trips from Rotherham to Sheffield. Review of the 2014 DfT data indicates this corridor remains the most heavily trafficked in the City Region with the exception of the trunk inter regional routes of the M1, M18, A1M and A57.

The BRT North Project will provide an entirely new public transport line offering a high quality services and passenger experience to an estimated 7,541 passenger journeys per day between Sheffield City Centre, Rotherham Town Centre and serving some 73 potential employment sites and 80 potential housing sites.

The required investment is £4,015,087

4,388 new jobs are directly linked to the BRT route and 45,000 jobs indirectly benefit from the scheme

This project delivers a 12km Bus Rapid Transit link between the urban centres of Sheffield and Rotherham via the Lower Don Valley corridor, the main features of the scheme are as follows:

- A new highway link under the M1 (named "Tinsley Link") between Meadowhall Way and Sheffield Road incorporating high levels of priority for public transport. This will provide highway capacity to allow development with existing consents to be built out as well as for future developments. It also helps relieve congestion at Junction 34 (South) of the M1.
- priorities for BRT at congested sections of the route (i.e. the approaches to Rotherham town centre; Attercliffe Road; Arena Square).
- Revised junction layouts and traffic signal control with intelligent detection to provide BRT priority at junctions.
- Signal improvements and minor highway works to reduce delays and to support BRT priorities (Bow Bridge and Westgate, Rotherham; Carbrook; Attercliffe).
- Frequent and reliable BRT service; High quality, low emission vehicles with capacity to provide a high-volume rapid transit network will then be delivered commercially by bus operating companies.
- Purpose-built stops, providing a high quality waiting environment, coupled with real-time passenger information.
- A key part of this bid is the inclusion of the remediation required to address land contaminants discovered on site.
- Reclamation, landscape enhancements and sustainable water features creating a high quality gateway to the Sheffield/Rotherham Don Valley Corridor and adjacent development sites along the Tinsley Link

A copy of the scheme plans are available at the following site http://www.sypte.co.uk/uploadedFiles/Appendix%20A.pdf

1. Assessment Summary

Please summarise your assessment of the scheme's strategic case and set out any recommendations
The strategic case for the overall project (the BRT-N scheme) is strong- and especially in a regeneration and local transport access and connectivity context in the Sheffield – Rotherham Don Valley. The overall project (the BRT-N scheme) has a clear strategic rationale that aligns to SCR Growth Plan objectives as set out in the original funding bid to the Department for Transport (DfT)[1]. This continues to be the case with regard to the current funding submission. We note that the BRT scheme acts to provide direct connectivity and intermediate stop connectivity to complement existing rail, and the tram-train pilot to enhance access to/from and within the largest cluster of modern manufacturing in the SCR, as well as directly unlock key employment sites with planning conditions linked to Tinsley Link and BRT scheme delivery. There therefore is- and continues to be- direct alignment of the scheme with SEP priority growth areas 6 & 7; noting the additional connectivity benefits associated with the scheme within Sheffield City Centre too. This is a funding bid for £4m to cover a cost overrun on one particular element of the BRT project (the Tinsley Link) and with core detriment to the overall delivery of the scheme- and critically the local connectivity offered by the link to facilitate the BRT service in the context of over 73 local development sites; and the delivery and progression of key employment sites that are conditioned on the delivery of the BRT scheme. This aspect doesn't change in relation to the tram-train scheme; the pilot for which has been approved since the original submission. The strategic case as submitted to SCRIF makes a clear financial and cost/directly dependent job case for the £4m expenditure specifically – as well as re-iterating the case for the whole scheme and highlights the consequences of not completing the Tinsley Link. The strategic case does not consider any potential opportunity cost of the additional funding. This is understood not to exist- and if not- clearly and further enhances the strategic case for the scheme demonstrated above. Indeed, not funding the scheme through SCRIF is likely to both increase final costs of delivery further, and potentially lead to an opportunity cost of other funding sources if SCRIF is not used; reinforcing the benefits of funding the scheme through SCRIF- on the basis there is no opportunity cost of doing so. This is considered a core benefit of the scheme, and as part of the case made.
Please summarise your assessment of the scheme's commercial case and set out any recommendations

[1] South Yorkshire Bus Rapid Transit Northern Route, Best and Final Funding Bid, Rotherham Metropolitan Borough Council, South Yorkshire Passenger Transport Executive and Sheffield City Council, undated

The scheme is feasible and has demonstrable market potential- in relation to the service, and key dependent development sites coming forward.

Extensive demand forecasting has been undertaken (and independently reviewed) as part of the original DfT funding submission, which indicated that the operation of the BRT will be commercially viable. No further evidence on its commercial viability has been provided as part of the SCRIF submission, nor would this be required.

Further discussions with the scheme promoter have confirmed this and that there is a commercial basis for scheme operation, evidence in writing.

The main elements of procurement for the scheme have been completed. Framework contracts are in place for outstanding minor works.

The commercial case is robust.

Please summarise your assessment of the scheme’s economic case and set out any recommendations

A full economic appraisal has been undertaken as part of the original DfT funding submission which has fully assessed the economic impacts of the scheme. The SCRIF funding bid contains a high level Option Outputs analysis and refers to the DfT submission for more detailed background information.

The project as a whole has a BCR of 3.5 without and 5.9 with Wider Impacts. In terms of the DfT categories, this places the scheme in the High (without) or Very High (with Wider Impacts) Value for Money (VfM) category. No re-assessment of the case with the additional expenditure now required has been undertaken. However, it is unlikely that the BCR with the additional expenditure would drop below the VfM categories above.

The wider contribution of the scheme to the economy of the Sheffield City Region has been assessed fully as part of the DfT funding submission.

Directly dependent jobs on the £4m additional funding indicates a total number of 625, and the scheme will unlock further developments making this assessment the worst case. Assuming that only 30% of these jobs are new, this equates to 188 new jobs and therefore the scheme creates 1 job for every £21,350 of SCRIF spent.

This is a slightly higher cost per job than average regeneration led schemes for the additional £4m of additional funding specifically.

However it should be recognised that there are the further sites completed and awaiting occupation including the Vantage Park which based on the floor space area of 16,185 sq.m and using the accepted employment densities guidance in the HCA 2010 Guide provides an additional 278 FTEs bringing the jobs per £ SCRIF to 1 job per £14,800 spent; along with potential further corridor benefits.

This demonstrates that at worst the scheme has a better than average return with these incorporated.

Please summarise your assessment of the scheme’s financial case and set out any recommendations

The project is approaching final stages of construction and costs are based to a large extent on actual outturn costs or existing work contracts.

Further discussion with the scheme promoter has also identified >£2m of s106 funding that is directly dependent on approved development coming forward would be lost- rising to nearer £5m in the medium term. Thus, there remains a strong, simple financial case for investment; over and above the social benefits and transport user benefit BCR for the scheme detailed above. The promoters have identified delays to the works programme that could result from failure to secure this funding as one major set of risks. In extremis, this could lead to the project being abandoned and attempts from the existing funding agencies (DfT, ERDF, private contributors) to claw back some or all of the funding already provided. The key risk relating to the current case is clearly the possibility of further cost escalation and the scheme promoters should be asked to provide a clear assessment of that risk.
Please summarise your assessment of the scheme's management case and set out any recommendations Appropriate sharing of responsibilities has been agreed between SYPTE, RMBC and SCC and the project is overseen by a Project Board and Senior Responsible Officer (SRO). Notwithstanding the cost overrun, the project delivery thus far has been successful. A benefits realisation plan has been prepared (and approved) in the original DfT submission. SYPTE will take responsibility for the post-implementation evaluation of the project and an appropriate set of measurable key performance indicators has been defined. The risk associated with Network Rail possession windows is acknowledged and the promoters believe that the remaining possession requirements can be scheduled appropriately in conjunction with the Tram Train project requirements. The promoters also acknowledge the risk of the post implementation performance of the scheme falling short of forecasts, but no management plan to mitigate that risk appears to be in place. Given that it is assumed that the BRT services will be commercially viable- a position reinforced currently in the SCRIF business case- there appears to be very limited risk that services would not be run to take advantage of the infrastructure being provided at the levels and frequencies required for the scheme. Indeed this has now been confirmed in writing by first, for a minimum of three years and subject to ongoing review. Nevertheless conditions on this being delivered and with support to ongoing monitoring of the jobs and bus service delivery, are core objectives of the management case.

Summarise your overall assessment of the scheme and recommendations for SCR

The scheme as a whole appears to have a robust case. Specific objectives associated with both jobs and transport benefit delivery have been defined for the £4m funding being sought.

By implication the funding bid only has one key objective: to secure completion of the entire project, but also cover delivery of the BRT service as specified in the core documentation, and the delivery and build out of developments directly connected on the basis of BRT delivery to realise the jobs and GVA values and evidence linked to the schemes delivery.

Using such objectives and metrics will however allow the SCR to assess the outputs, results/ additionality of the £4m should investment be approved.

The traditional BCR for the scheme and additionality of the £4m both demonstrate high value for money and better than average cost/ job returns respectively, recognising further longer term corridor benefits to over 73 development sites.

There is also a clear and simple financial case in terms of otherwise lost contributions (and jobs and homes directly dependent in a planning agreement on the schemes delivery) that are key to the financial and social case for investment; and why SCRIF is a preferable source of funding to other alternatives- provided there is no opportunity cost to SCRIF of doing so.

Olympic Legacy Park Summary Appraisal Report

CIAT recommendation to Appraisal Panel

Sheffield City Council with Legacy Park Ltd is seeking full approval of the scheme. CIAT has undertaken 2 rounds of review and comment on the business case and there remains some areas of risk that should be resolved. Overall the scheme has a strong Strategic and Economic and Management Case. The main area of concern is the status of third parties and the optimism of the viability appraisal that underpin the commercial case.

Following the previous assessment of the business case the following conditions were placed against the scheme. These conditions were communicated to the promoter and a revised submission provided.

1. *Preparation of a detailed investment appraisals to demonstrate viability and that LPL can demonstrate, to the Investment Board's satisfaction, substantive progress with the OJEU process to select a private sector development partner; and*
2. *Clarity from LPL on construction commencement of the AWRC and demonstration to the Investment Board's satisfaction that the AWRC's Tier 1 partners have been contractually committed; and*
3. *Preparation of a more detailed project plan and risk register for review, focusing particularly on the programme, dependencies and contingencies for the delivery of the job supporting masterplan elements*

Overall the revised submission has provided investment appraisals and resolved the project plan. However the assessment that follows sets out concerns on the information provided and risks which need to be considered. If conditions 1 and 2 cannot be resolved then it is suggested that clawback could be recommended as a mechanism to manage the identified risk.

It is recommended that a recommendation is made to approve the full business case, with the appropriate caveats that are agreed at the meeting.

PROMOTER'S INFORMATION	
Promoting Organisation:	Legacy Park Ltd
Contact name and role:	David Hobson (Project Director)
Address:	English Institute of Sport Sheffield, Coleridge Road, Sheffield, S9 5DA
Email:	david@olympiclegacypark.co.uk
Telephone:	0114 2619604 (Mobile 07973 119144)
SCHEME DETAILS	
Scheme name:	Olympic Legacy Park Infrastructure Works
Scheme location:	Attercliffe Road Sheffield (Don Valley Stadium site)
Lead delivery organisation:	Legacy Park Ltd in conjunction with Sheffield City Council
Other delivery partners & roles:	EON District Heating Sheffield City Council – Remediation and demolition works Sheffield City Council/Education Funding Authority – Community

	Stadium Private Investor (Hotel and Conference Facility, Attercliffe Road offices, AWRC offices and Coleridge Road development site) Park Community Arena Ltd (Indoor Arena) Sheffield College/Sheffield Hallam University/Sheffield Chamber of Commerce (UTC) Sheffield Hallam University (AWRC)		
Scheme Type (refer to and complete Annex 3)	E+W 4, R3, R5, R7, R8 and T		
Which category / code (Annex 3) does the majority of your scheme fall within:	R8		
Total Scheme investment:	£9.11m		
Total Private investment:	£1.54m		
Total Other public sector investment (non-SCRIF funding):	£2.67m		
Total SCRIF funding sought (£):	£4.9m	SCRIF as % of total scheme investment:	54%

SUMMARY OF THE SCHEME BUSINESS CASE

Please provide a summary description of your scheme (approx. 300 words). Append any graphics.

[Description to include a summary of scheme purpose, required investment, location, and direct and indirect benefits that will be delivered]

This application seeks £4.9m funding contribution to create a 9.6Ha serviced site with infrastructure and utilities that will facilitate the delivery of the £42.36m Olympic Legacy Park. A RIBA Stage 3 design report is attached which includes the Stage 3 Landscape design – Annex 3. The SCRIF funded infrastructure package comprises the utilities, drainage, hard and soft landscaping within the overall red line site boundary of the previous Don Valley Stadium and excluding any works within the red line boundaries for each of the plots

The City Region's Strategic Economic Plan (SEP) sets a vision of a stronger and larger private sector that can compete in national and international markets. It sets the ambition of a net increase in jobs of 70,000 by 2024 of which 30,000 will be highly skilled, and an increase in GVA of £3.1billion.

The Independent Economic Review and the emerging Integrated Infrastructure Plan looks principally to Sheffield to drive jobs in highly skilled, knowledge based sectors. The IIP also recognises the role that advanced industries will play in driving both knowledge jobs and contributing to GVA. This work has identified the innovation and advanced manufacturing cluster in the Sheffield Rotherham Economic Corridor as a 'super-growth area' in its spatial priorities.

To further drive jobs in this super-growth corridor, Sheffield and Rotherham, with partners, are working on a new economic vision for the SREC – to create an Innovation District. The aim will be to grow the innovation capacity of the area (building on the AMP), and seek to improve the quality of place in the SREC to attract talent and technology. Building 'innovation anchors' is part of this vision and the OLP is a core part of the Innovation District.

The Olympic Legacy Park (OLP) will contribute to an Innovation Zone in the Sheffield-Rotherham Economic Corridor sited at the heart of the manufacturing and bio-science technology clusters. The OLP will be anchored by the Advanced Wellbeing Research Centre (AWRC) and will create development and investment opportunities for private sector partners working collaboratively with Sheffield Hallam University. The AWRC will create a world-leading research centre to design, develop and implement physical activity interventions to improve health and wellbeing of local and national populations. AWRC will work with private sector partners to exploit the new intellectual property, products and services that are created to improve competitiveness and export opportunities

The OLP is based upon the successful Advanced Manufacturing Park (AMP) and Advanced Manufacturing Research Centre (AMRC) model.

Floor Space; The OLP will create 19,390m2 of mixed use development (excluding pitch and associated works) including 15,450m^2 of private sector business space

Location; OLP is located off Attercliffe Common. It is well served by public transport; Supertram, Bus Rapid Transit and the number 69 bus route. It will also be a stopping point for the Train-Tram when this becomes operational

Timescale; Target completion (for the infrastructure based project) is February 2017

Outputs and Economic benefits

- Indirectly exploit IP generated by the AWRC and attract £3m pa funding from the private sector: 10 at Tier 1 and 10 at Tier 2 level
- Create 912 (gross) new FTE jobs (73 direct, 839 indirect)
- Gross GVA of £144.5m (NPV over a 15-year period) equating to £29.5 GVA per £1 SCRIF

Genecon Assessment of revised scheme business case (10/04/16)

OLP SCRIF Business Case re-submission

I write further to your request for advice in relation to conditions 2, 3 and 4 on the Appraisal Summary that we prepared in February 2016 for the SCRIF business case for Olympic Legacy Park. These conditions were presented on the basis that they should be included within the funding agreement but should be resolved prior to grant draw-down:

1. *Preparation of a detailed investment appraisals to demonstrate viability and that LPL can demonstrate, to the Investment Board's satisfaction, substantive progress with the OJEU process to select a private sector development partner; and*
2. *Clarity from LPL on construction commencement of the AWRC and demonstration to the Investment Board's satisfaction that the AWRC's Tier 1 partners have been contractually committed; and*
3. *Preparation of a more detailed project plan and risk register for review, focusing particularly on the programme, dependencies and contingencies for the delivery of the job supporting masterplan elements*

Legacy Park Ltd (LPL) have re-submitted their business case with some additional / revised supporting information.

Condition 1

Given that the success of the offices on the OLP site (Attercliffe Road and AWRC) are critical for the outputs and value for money case (the offices account for nearly 90% of the job outputs – 615 of the 692 net additional jobs), it is important that there is an understanding of where LPL are with identifying a private sector development partner to take forward the offices.

As it was clear from the appraised business case that LPL was at an early stage in terms of discussions / the beginning of an OJEU approach with developers, the condition was included to show that the office element of the scheme would be viable.

The information now submitted includes a paragraph within the business case on the OJEU process which indicates that

> *A soft market testing exercise has been undertaken in March 2016 and the conclusions are being incorporated into a preliminary tender document. The development Partner or Manager will be procured via EU compliant procurement process based upon a competitive dialogue approach. A PIN Notice is to be issued in May 2016 requesting Expressions of Interest. A short list of 4 or 5 Organisations will be invited to participate in the next stage which will be reduced to two to submit final business proposals later in 2016. We are targeting an appointment in 2016Q4*

The information now submitted does not however outline the outcome of the soft market exercise.

LPL have also provided two summary development appraisals by Lambert Smith Hampton, one for each office element. A summary of each appraisal is shown as follows:

Summary of LSH appraisals	AWRC offices	Attercliffe Road offices
Lettable Sqft	29,063 sqft	67,813 sqft
Rental Value	£17.50/sqft	£17.50/sqft
Investment Yield	6.5%	6.5%
Net investment value (after costs)	£7.4m	£17.25m
Development costs	£6.16m	£14.38m
Profit	£1.23m	£2.88m
Profit on cost	20%	20%

These two appraisals both suggest that 20% profit on cost is achievable, the inference being that there should be no difficulty in securing a private sector development partner.

We have taken an informal sounding on the two appraisals from one of Sheffield's respected commercial agents. They have provided us with their view on the key fundamentals of the two appraisals. They have also provided office take-up statistics for the past 3 years, which show that Sheffield's office take-up (both in-town and out of town) have moved in a very positive upwards direction which is positive for the OLP scheme. The majority of lettings are however for less than 5,000 sqft of space, and suggest that the two office schemes would rely on a multi-let proposition.

In terms of their view on the two appraisals:

Attercliffe Road offices - a new build in that location, rental value would be nearer £15.00 per sq ft. They highlight that an office building of 70,000 sq ft will potentially take a long time to fill and would need to be multi-let, on flexible lease lengths (5-10 year terms). On this basis they foresee, investment yield nearer 9% fully let. They highlight that if the premium rent is to be achieved (i.e. £17.50/sqft), then it will need organisations with a connection to the Park who will want/need to commit to the location.

AWRC offices - in respect of the AWRC offices, they highlight that if the model is that SHU commit to a 15 year head lease, and then sub-let to other organisations, then they could envisage a yield of 7.0-7.25% being achieved. They highlight however that investors could be nervous about the level of over-renting and its re-letting prospects on lease expiry –"*15 years is long enough to push these concerns into the background, 10 years would probably not be*".

The table below has been re-worked to show the impact of these adjustments on the potential profitability of the two developments. At best it suggests for the AWRC offices that profit on cost is more likely to be between 8% and 11%, assuming SHU take an over-riding headlease; for the Attercliffe Road offices, this suggests a more difficult position and the likelihood that the commercial viability of this development will be difficult and therefore the Investment Board should be aware that this scheme may need further public sector support if it is to be developed out.

Adjusted LSH appraisals	AWRC offices	Attercliffe Road offices
Lettable Sqft	29,063 sqft	67,813 sqft
Rental Value	£17.50/sqft (assume paid by SHU on 15 year head lease)	£15.00/sqft
Investment Yield (ADJUSTED)	7.0 - 7.25%	9.0%

Net investment value (after costs) – ADJUSTED	£7.02m - £7.26m	£10.68m
Development costs	£6.16m	£14.38m
Profit (ADJUSTED)	£0.47m - £0.7m	(£3.69m)
Profit on cost (ADJUSTED)	8% - 11%	- 26%

Condition 2

LPL's information includes two development programmes prepared by Turner & Townsend. These indicate the plan for construction of the AWRC building to commence in November 2016 with completion by January 2018.

LPL's business case outlines the ambition for between 5 and 10 Tier 1 and Tier 2 sponsoring corporate partners in the AWRC facility. The approach mirrors the arrangements in the AMRC facility on the Advanced Manufacturing Park. For the AWRC, and the principle behind the central government funding allocated, these corporate partners are critically important, as it is the collaboration between SHU and the business community around the fields of sports, health and wellbeing orientated research that will deliver the potential for the AWRC facility to be more than simply a new faculty building for SHU.

With regards to the two Tier 1 partners (Toshiba and Westfield Health), LPL's business case suggests that these are in contract. However, our February 2016 appraisal indicated that the contractual relationship is a little more complex, and our appraisal report included the following paragraph:

> *SHU wrote to Legacy Park Ltd in early February 2016 outlining that the AWRC has signed up two Tier 1 partners – Toshiba Medical Systems and Westfield Health (not for profit heath insurance company). SHU has indicated that contracts are currently in negotiation but are covered by MoUs (these have been provided as part of the business case supporting evidence). Toshiba and Westfield are described as a 'founding Tier 1 Commercial Partner' in their MoUs. From discussions with the applicant, the Tier status is modelled on the arrangement at the AMRC at the Advanced Manufacturing Park and at AWRC will mean a contribution of £1.5m (Toshiba) and £1.25m (Westfield) over 5 years contributed as either cash, equipment or in-kind contribution. It is understood that SHU was seeking to get an overarching contract with each Investor, however this has not proved possible. They have however managed to get two contracts agreed (but not yet signed with Toshiba) for a first research commission (sensors) and another contract for the provision of equipment by Toshiba (CT and Ultrasound scanners). Westfield Health is understood to have approved the setting up of a new corporate vehicle as a mechanism for the receipt of public funds and again two contracts – one for a wellness programme delivered by SHU and a confidential research project. The intention is that each will be signed on 1 April 2016 when the new vehicle is in place.*

We have not been able to ascertain with LPL whether this position has moved forward.

Condition 3

LPL's information includes two development programmes prepared by Turner & Townsend – one for the AWRC, one for the wider site. This shows the intention for the SCRIF funded infrastructure works to be underway by August 2016, completion by March 2017.

We have not seen any further information on risk analysis.

Overall the re-submitted business case has looked to tidy up the business case position around projected outputs and GVA calculations. Our recommendation would be however that the conditions are retained within the funding agreement, particularly around progress on securing a development partner for the office developments and clarity on the contractual position with the first two Tier 1 partners.

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)
Please summarise your assessment of the scheme's strategic case and set out any recommendations The Olympic Legacy Park in Sheffield is a proposal to redevelop the 9.6ha site of the former Don Valley Stadium to create an education, research and leisure campus. It is a **strategically important project** which is strongly aligned to local and City Region spatial and economic objectives, and is effectively being brought forward by a strategic partnership of Sheffield City Council, the City's two universities and Sheffield Teaching Hospitals NHS Foundation Trust. Legacy Park Ltd has been established by the partners as the delivery vehicle and LPL has applied on behalf of Sheffield City Council for £4.9m of SCRIF investment to part fund the provision of infrastructure, utilities and public realm on the masterplan site. The anchor element of the plan is the delivery of Sheffield Hallam University's £14.8m ***Advanced Wellbeing Research Centre*** – a research and development centre for sport, healthcare and leisure. The AWRC is being supported by a £14m grant from central government announced in the March 2015 Budget. Other proposals for development plots on the masterplan site include: Sheffield's second **University Technical College** (under construction); a **Community Stadium** to become the home of Sheffield Eagles RLFC; the **Park Community Arena**, an indoor sports facility for use by the rugby club, Sheffield Sharks basketball and the various educational partners; a **new hotel** as part of the stadium development; and 10,000m^2 of **commercial business space** split between a sites adjacent to the AWRC and on Attercliffe Common. The project is presented as an important element of the emerging **'Innovation District' strategy** – an economic plan for the Sheffield-Rotherham corridor to invest in infrastructure and support to develop innovative industry linked to the research specialisms of the City's two universities, and build on the success of the *Advanced Manufacturing Research Centre.* The specific sector focus for the AWRC and commercial investment opportunities respond to the fact that **healthcare technologies is identified as a competitive growth sector in City Region economic strategy** and analysis; whilst health and sports sciences are a recognised specialism of Sheffield Hallam University. The AWRC concept has been modelled on the AMRC which has provided a focus for Sheffield/Rotherham's Advanced Manufacturing Park. The proposed SCRIF-funded works will be focused on the areas of the masterplan site outside the boundaries of individual development plots, to include: utilities; drainage; vehicle and pedestrian routes (including a pedestrian boulevard which will serve as a spine right through the site); car parking (350 spaces); hard and soft landscaping; and minor highways improvements. The aim is to enable the development of each of the elements as part of a comprehensive masterplan for the OLP site; improving investor interest and confidence; removing up-front cost, and sending a clear message to the private sector that the public sector is serious about prioritising this site as a key growth catalyst for Sheffield and Rotherham and therefore reducing some of the financial risk associated with the commercial development opportunities. The contribution of the SCRIF-funded work to achieving the overall masterplan vision is clear, although there remain some uncertainties about the specific economic additionality of each of the interventions. It is recommended that project objectives should be revisited and agreed between SCR, Legacy Park Ltd and Sheffield City Council in order to incorporate more of direct deliverables and outputs

of the SCRIF investment as and when these are known.
Please summarise your assessment of the scheme's commercial case and set out any recommendations The economic outputs associated with this SCRIF investment will rely upon securing private sector investment in the commercial employment-generating developments on the Olympic Legacy Park. The appraisal review of the specific investment evidence for each element is summarised as follows: ➢ Indoor arena – indication of £4m investment from Park Community Arena Ltd. but not yet supported by evidence of the specific investment proposal; ➢ Community Stadium – in principle agreement of £1m investment by UTC and Sheffield City Council with Sheffield Eagles confirmed as tenants; ➢ Hotel (£8m); Attercliffe Common (£24.3m); AWRC commercial (£10.4m) – indication of developer interest in some of these plots, but as yet the process of selecting a development partner has not started, therefore the scale and timings of these investments remains uncertain. In addition the business case indicates that SCRIF investment will provide indirect support to two key anchor developments: (1) the UTC, which has approved funding and construction started; and (2) the AWRC, which has £14m government funding confirmed and early stage commercial agreements with two private sector organisations to become Tier 1 partners/sponsors. Broader market evidence is reasonably encouraging. If Sheffield's out of town office take-up continues at its current level the OLP site will account for 10,000 sqm out of potentially 80,000 sqm over the 4 years between 2019 and 2022, i.e. just 12.5% of projected out of town activity. Given that the OLP is likely to establish itself as Sheffield's most high profile out of town site (for example, it is the only out of town site referenced by LSH in their 2015/16 Northern Powerhouse office market report), these projections perhaps do not appear to be overly optimistic. The business case could perhaps have been stronger if for example, LPL had been able to demonstrate that it has development prospectus in place ready for the OJEU process, perhaps supported by a set of investment appraisals, which demonstrate how the SCRIF investment will help de-risk the project from a market point of view, and therefore make development viability much more likely. LPL have indicated in the appraisal discussions that preparing for the OJEU process is a next priority action. In principle, the SCRIF investment is likely to remove any remaining development viability issue for the private sector developer/investor. However, given that the business case has not fully addressed this (LPL have indicated that investment appraisals will be available late February 2016), the **recommendation is made that the preparation of a detailed investment appraisals should be considered as a condition to the funding agreement if the SCRIF investment is approved**. Once in place, these would then also serve to cross-check and help appraise development partner proposals through the OJEU process.
Please summarise your assessment of the scheme's economic case and set out any recommendations It is estimated that the commercial employment-generating developments at the Olympic Legacy Park could accommodate **485 net additional jobs by 2023** (commercial employment space at Attercliffe Common and AWCR; hotel; community arena; community stadium). The key risk in relation to the employment outputs is the uncertainty at this stage over the level of commercial investment which can be secured and particularly the timing of this given that all jobs are projected

to be in place by 2023.

Following appraisal discussions with the applicant, it has been agreed that the UTC, Oasis Academy school and AWRC development should be excluded from the economic analysis. Any economic outputs from these developments are likely to be secured regardless of SCRIF investment. Each has been publicly funded under different mechanisms in order to deliver specific outputs relating to education, skills and innovation.

If the investment is able to support the employment outputs projected, this could deliver an estimated **net cumulative GVA of £100.6m by 2030.** This figure may be higher of constriction-related outputs are included, but there is some uncertainty about the value and attribution of these effects as presented by the applicant.

The total public sector investment in the overall OLP masterplan is currently estimated at £51m. However, this appraisal has argued that the value for money analysis should focus on the commercial employment generating investments (hotel, stadium, arena, AWRC offices, Attercliffe Common) that will be catalysed by the SCRIF and other public sector funded works (for example SCC's remediation works) around the OLP's core facilities (AWRC, UTC, Oasis Academy), reducing the focus of the value for money assessment to £9.4m of public sector investment (i.e. £51.4m less £42m).

Therefore, assuming that this investment supports 485 net additional jobs the cost per job analysis is a follows:

- Total public sector investment: £9.4m / 485 net additional jobs = £19,381 per net additional job
- SCRIF investment: £4.9m / 485 net additional jobs = £10,103 per net additional job.

On the basis that commercial investors can be secured to deliver the developments and new jobs proposed, and that all of the outputs are deemed attributable to the SCRIF investment, the project has the potential to deliver good value for money in cost per job terms when compared to the HCA 'low' benchmark for gross public sector cost per net additional job of £28,700.

This analysis also demonstrates that there is good scope to accommodate lower net additional job numbers from the project and still secure a reasonable value for money position from the SCRIF investment if the private sector investment does not come forward in quite the manner projected. For example, if the investment supported only 123 net additional jobs, this would still be in line with the HCA 2015 mid-point cost per net additional job benchmark

Please summarise your assessment of the scheme's financial case and set out any recommendations

The total cost of the site preparation, infrastructure and public realm project is estimated at £9.9m based on: £4.9m SCRIF-funded works costed by Turner and Townsend; £3.5m already spent on remediation (£2.4m SCC; £1.1m ERDF); and a proposed £1.5m investment by E.On in connection to the district heat network.

The principal items in Turner and Townsend's cost plan are as follows:

❑ Facilitation, retaining structures, hard landscaping, fencing:	£1.97m
❑ Soft landscaping, lighting and street furniture:	£0.57m
❑ Utilities:	£0.47m
❑ Highways works:	£0.13m
❑ Prelims / OHP:	£0.39m
❑ Project / design team:	£0.35m

- Contingencies (design and client) and inflation: £0.45m

The business case indicates that allowances are made for optimism bias and contingencies, but all contingencies account for 10% which would suggest that optimism bias is not fully covered. The business case also outlines a number of appropriate measures to actively manage the cost risk, but does not indicate how potential overruns would be met on SCRIF-funded works.

The £51m of proposed public sector investment across the OLP has the potential to attract over £50m of private investment if the masterplan is developed as proposed. The £4.9m SCRIF investment may be regarded as the final element of public sector funding to lever private sector investment around the OLP's core facilities, but as noted in the *Commercial Case* this level of private investment is subject to ongoing uncertainty at this stage.

Please summarise your assessment of the scheme's management case and set out any recommendations

The SCRIF applicant is Legacy Park Ltd, although they have indicated in additional correspondence that the intended **grant recipient will be Sheffield City Council.** Legacy Park Ltd is a company limited by guarantee, under the directorship of representatives of Sheffield Hallam University, The University of Sheffield, Sheffield Teaching Hospitals NHS Foundation Trust and project advocate Rt. Hon. Richard Caborn, with each of the three partners underwriting and sharing the company's revenue costs.

As grant recipient Sheffield City Council will need to be accountable to the City Region Executive and Combined Authority for the SCRIF investment under the standard arrangements.

It is proposed that **Sheffield City Council will also act as 'employer' to deliver the infrastructure works** including the appointment of consultants and procuring contractors. Project governance is also structured around the City Council's established protocols under the *Competitive City Programme Board.* Further clarity could have been provided on the membership, accountability and reporting protocol of the Project Steering Group.

The management case provides a **headline timetable** which indicates the steps needed for a proposed construction start date of August 2016, including outline and reserved matters planning approvals, final design approval, procurement and contractor design. Given that this appears to be a particularly tight timescale, further detail on these actions would provide greater confidence that the timescale can be met to complete the public realm and infrastructure by February 2017. Information accompanying the economic case indicates completion of the AWRC employment units in 2020, and the Attercliffe Common site in 2023. **No indication is given in the management case of how and when the applicant expects these investment opportunities to be marketed, designed, managed or delivered.**

It is recommended that SCR asks the applicant to produce a more detailed project plan and risk register for review, focusing particularly on the programme, dependencies and contingencies for the delivery of the commercial job supporting masterplan elements.

The applicant has produced a risk register which addresses issues around the delivery of the public realm and infrastructure but **no assessment has been made of the commercial, economic and financial risks associated with the delivery of the overall masterplan.** This is particularly important for the SCRIF investment as it is this stimulus effect upon which the employment outputs being claimed are reliant.

Summarise your overall assessment of the scheme and recommendations for SCR, including any *recommendations on conditions that should be incorporated into the SCRIF funding agreement*

The Olympic Legacy Park appears to be a **strategically important project** which is strongly aligned to local and City Region spatial and economic objectives, and has support from a number of key stakeholders across the City of Sheffield. Central government investment of £14m in the AWRC alongside the development of the Oasis Academy and the UTC gives confidence that the publicly-funded elements of the masterplan will be delivered.

The rationale of the SCRIF-funded works in achieving the overall masterplan vision is clear, to enable the development of each of the elements as part of a comprehensive masterplan, improve investor interest and confidence, demonstrate that the public sector is serious about its commitment to making the site a success and reducing some of the financial risk associated with the commercial development opportunities.

The written business case and accompanying information for this SCRIF investment has been subject to a number of iterations and amendments since submission throughout the appraisal process. The narrative and detail within the business case documents is at times unclear and inconsistent about the economic and commercial additionality of the SCRIF investment, which remains a risk. In this regard the business case could have been significantly strengthened with a more comprehensive assessment of strategic options for the project.

Early-stage commercial evidence and wider market evidence appear reasonably encouraging about the prospect of development, but given as with any commercial development proposition the economic outputs remain at risk until private sector investment is secured.

Any potential investment decision by the SCR must be made on the basis of a reasonable risk that at least some of the proposed outputs may not come forward as currently envisaged. Nevertheless, the project has the potential to secure reasonable value for money even if the fully projected outputs are not achieved,

Further work will also be necessary to firm up the cost estimates for the SCRIF funded works through the procurement stage, given that some of the estimates (e.g. around utilities) are based on high level assumptions.

If the risks outlined above are deemed acceptable, it is recommended that the proposed investment of £4.9m could proceed to Stage 2 on the basis that the applicant will satisfactorily meet the following requirements prior to grant agreement or drawdown:

1. In the event of cost over-run, Sheffield City council will agree to underwrite costs and there will be no further call on SCRIF funds;
2. Preparation of a detailed investment appraisals to demonstrate viability and that LPL can demonstrate, to the Investment Board’s satisfaction, substantive progress with the OJEU process to select a private sector development partner; and
3. Clarity from LPL on construction commencement of the AWRC and demonstration to the Investment Board’s satisfaction that the AWRC’s Tier 1 partners have been contractually committed; and
4. Preparation of a more detailed project plan and risk register for review, focusing particularly on the programme, dependencies and contingencies for the delivery of the job supporting masterplan elements

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Peak Resorts Summary Appraisal Report

CIAT recommendation to Appraisal Panel
Chesterfield Borough Council is seeking approval of the 1B Full Business Case and had intended to move to full award in one step. Overall the scheme has a strong strategic case and economic case, but the weaknesses in the uncertainty of third parties identified a risk to the overall business case.

Following the assessment of the business case it is proposed that the full business case is approved with a number of conditions placed against the award. These conditions are set out in the information that follows, but are summarised as:

- The applicant provides a viability appraisal to demonstrate the lack of scheme viability without public sector support.
- The applicant should provide more clarity on the roles of each partners. Ideally a copy of the joint venture agreement relating to PWL (Peak Worldwide Ltd) to provide further clarity on who will be funding and developing the phase 1 scheme and the source/certainty of the funding.
- Greater certainty is provided on the contribution of the private sector project partners. If this is not available SCR could consider seeking to implement clawback arrangements as part of the funding agreement to incentive the delivery.

The following describes the scheme (white boxes) and summarises the CIAT assessment of the business case (grey boxes).

PROMOTER'S INFORMATION			
Promoting Organisation:	Chesterfield Borough Council		
Contact name and role:	Matthew Southgate (Senior Economic Development Officer)		
Address:	Economic Development Unit, Town Hall, Chesterfield, S401LP		
Email:	matthew.southgate@chesterfield.gov.uk		
Telephone:	01246 345272		
SCHEME DETAILS			
Scheme name:	Peak Resort		
Scheme location:	Birchall Estate, Chesterfield		
Lead delivery organisation:	Birchall Properties Ltd		
Other delivery partners & roles:	Grand Heritage Hotel Group (Investor and hospitality operator) Peak Worldwide Ltd (Joint Venture Partnership)		
Scheme Type (refer to and complete Annex 1)	R3/R6		
Which category / code (Annex 1) does the majority of your scheme fall within:	Site development access roads		
Total Scheme investment:	£84m		
Total Private investment:	£81m		
Total Other public sector investment (non-SCRIF funding):	0		
Total SCRIF funding sought (£):	£2.85m	SCRIF as % of total scheme investment:	3.4%

SUMMARY OF THE SCHEME BUSINESS CASE

Please provide a summary description of your scheme (approx. 300 words). Append any graphics.

[Description to include a summary of scheme purpose, required investment, location, and direct and indirect benefits that will be delivered]

Peak Resort will be a nationally significant year-round tourism, leisure and education destination, located in the north west of Chesterfield Borough and on the edge of the Peak District National Park. The Peak District is a key asset for the City Region, and despite its on-going popularity, the development of the Park's visitor economy continues to provide major opportunities for growth. One such opportunity is to increase the number of higher value visits to the Peak District, reflecting both the significant growth in demand for vocational leisure, wellness and outdoor pursuit related activities, and the potential to increase the number of staying visitors on a national and international basis.

The Peak District is primarily a day visit destination with day visitors outnumbering staying visitors by a ratio of approximately ten to one. This in turn is a function of the lack of serviced accommodation that is available to serve the Peak District market. Peak Resort will address this issue by providing a broad range of accommodation offer (from sports hostel to 5* lodges) that will enable the City Region to secure a share of this latent market potential. Peak Resort will also function as a destination in its own right, providing a range of all-weather activities and events that will further enhance the city region's tourism offer and raise its profile as a visitor destination (site location plan and site masterplan attached as Appendix 1a and 1b).

The development of Peak Resort has been driven by Birchall Properties Ltd, the owner of the 300 acre Birchall Estate which will provide the physical setting for the scheme. A reserved matters planning consent has been secured for the scheme (subject to a section 73 variation) including a separate consent for the site access. In January 2015 the Prime Minister announced the signing of a joint venture agreement between Birchall Properties Ltd and US resort investor and operator, Grand Heritage Hotel Group Inc to realise Peak Resort. Since the announcement work has been on-going to discharge the various planning conditions in relation to the development, including approval by the Secretary of State of the required footpath and bridleway diversion order in December 2015.

As part of the joint venture agreement (and in relation to the discharge of planning conditions), initial infrastructure works relating to the new site access, footpath/bridleway diversion, and the fencing of the site boundary need to be secured before the main Phase One commercial development can commence. Birchall Properties Ltd is seeking financial support via SCRIF to undertake these initial works (costed at £2.85m), with private sector match provided through the delivery of the Phase One development.

Peak Resort Phase One will comprise 51,000 sqm (GEA) of built development, including two hotels, educational campus and a multi-purpose events space. Phase One will support the creation of 406 jobs with the successful completion of the scheme consented to deliver up to 115,000 sqm of floorspace and a total of 1,200 jobs. Indirectly it is estimated that the completed scheme will generate annual visitor expenditure of £14.5m in the wider sub-regional economy and this will support the creation of an additional 270 jobs.

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)
Please summarise your assessment of the scheme's strategic case and set out any recommendations The scheme's strategic case is reasonably strong. SCRIF funding is being sought to unlock a 300 acre (part former opencast mine) site, located within close proximity to Chesterfield and the Peak District for a mixed-use all year round tourism, leisure and education destination. Peak Resorts will be a major leisure/tourism/education destination that could provide 35,000 sq m (GIA) of new floorspace within the first phase of development and once completed, provide up to 115,000 sq m (GIA) floorspace in total across all 3 phases. The Peak District is a key physical and economic asset for the City Region and has the opportunity for growth to include an enhanced offer for higher value visits, including additional domestic and international overnight visitors. It is understood that the Peak District is lacking in good quality accommodation with day visitors outnumbering staying visitors by ten to one. £2.85m of SCRIF funding is being sought to deliver upfront site infrastructure in order to unlock phase one of the site. Specifically, these infrastructure works will include; improving the existing A61 interchange to include a new roundabout, footpaths and provision for a new perimeter bridleway/greenway for public access with associated parking, fencing to secure the perimeter of the estate and off-site improvements to cycleway and pedestrian links to wider public networks. These are reported to be planning conditions that need to be met prior to being able to start on site to deliver the phase 1 scheme, although we request that the applicant provides evidence of this through the planning consent which we have not had sight of. No development has come forward on the site since the open case mining operations closed and SCRIF funding is being sought to provide critical infrastructure to unlock the first phase of development on the 300 acre site, which will be led by Peak Resort Worldwide (PWL), a company set up for this purpose, with the Grand Heritage Hotel Group, a US hotel chain, as one if its three shareholders with a reported commitment to bring forward a major new leisure development on the site. There are also proposals for new educational uses on the site linked to the University of Derby and the University of State of Colorado around hospitality based provision. The scheme aligns with a number of the SCR's Growth Plan objectives and will contribute towards the growth of the leisure and tourism sector, a key growth sector for the City Region. SCRIF funding is being requested to fund upfront infrastructure to unlock the delivery of private sector investment and growth which fully aligns with the SCRIF criteria (subject to the commercial/financial case risks outlined below).
Please summarise your assessment of the scheme's commercial case and set out any recommendations The commercial case as currently presented has a number of risks and weaknesses that need to be addressed as a priority. The promoter has made a strong demand case around the growing tourism sector and the proximity of the site to the Peak District National Park, a major visitor attraction in its own right. It has emphasised the distinct shortage of serviced accommodation within the Peak District. The lack of overnight accommodation in the Peak District is a well known issue and one that this project could seek to address. The scheme is split into three phases, with the SCRIF funding reported to have the potential to directly unlock phase one of the development. The Phase One scheme essentially comprises two new hotels, a university teaching facility and halls of residence and multi-purpose events space. It is suggested that following the securing of planning consent and the SCRIF funding, the site will transfer from BPL to PWL and it is suggested that this joint venture, PWL, will invest directly in the development. However, despite letters of support from Birchall Properties and the Grand Heritage Hotel Group, there is no firm evidence of commitment/certainty around the funding and delivery of any elements of the phase 1 scheme. On the basis of the current evidence that has been provided, there is no commitment from any parties to provide the £81m of private sector investment that is required to deliver the phase 1 scheme and it is unclear as to the source and certainty of this.

At this stage, no evidence of commitment from either of the two HE institutions is provided (aside from a confidentiality agreement) and it is not clear who will be funding the HE campus development or the halls of residence, particularly the former given that this will not be likely to be a commercially viable development in its own right as an education facility. Further evidence is required to support the demand/delivery prospects for this.

There is also uncertainty surrounding the proposed Gateway Building which is understood to be accommodating multipurpose events space with associated concessions. The applicant has stated the Gateway building will be built on a speculative basis as part of the phase 1 scheme. The applicant has not provided any evidence of the potential demand for this type of facility in this location and it is not clear who will be funding or operating it. Further evidence and certainty needs to be provided.

In summary, there are a number of risks at present around the certainty of the commercial deliverability of the phase 1 scheme and further evidence of market demand and funding commitment needs to be provided to give the SCR confidence that the scheme will come forward on the back of the SCRIF investment. If no further certainty can be provided at this stage and the SCR is minded to invest in the scheme, it is recommended that it ensures the provision of a 100% clawback provision within the funding agreement to protect against the non delivery of the phase 1 outputs.

Please summarise your assessment of the scheme's economic case and set out any recommendations

The scheme's economic case as presented has the potential to be good. Whilst there are a several areas it is recommended that the applicant revisits in order to reflect a more accurate position on the economic impacts and VFM, it is unlikely that these changes will have a material impact on the overall value for money of the scheme. At present, it is reported to have the potential to deliver 323 net additional jobs (based on phase 1 only as the direct jobs which would need to be contracted against) and a SCRIF cost per job of around £9,000. This results in a BCR of around 19:1 again based on the phase 1 scheme only. Taking into account the wider scheme 'indirect' benefits as well it could result in a SCRIF cost per job of c.£3,000 and a BCR of around 50:1.This would represent very good value for money.

However, the economic case as currently presented is undermined by the weaknesses in the commercial and financial cases as presented above and below as in the absence of a deliverable phase 1 scheme, these economic outputs will not be realised.

Please summarise your assessment of the scheme's financial case and set out any recommendations

The financial case as presented is weak both in terms of the project costs and funding. In terms of the former, further clarity and independent evidence is needed to support the reported infrastructure and phase 1 construction costs. The cost plan provided in Appendix 5 appears to have been prepared by BPL and is based on an updated version of a 2009 BAM cost plan, for which it is difficult to directly correlate the specific infrastructure and build cost items. Furthermore, the 2009 cost plan refers to phase 1 costs of over £100m rather than the £84m reported. An up-to-date and evidenced breakdown of the £2.85m and wider £84m project costs is required.

In terms of project funding, at present there remain significant risks around the lack of evidence/certainty of the private sector funding contributions and this currently undermines the commercial and economic cases presented above. Further evidence of commitment from the project partners is needed to inform the funding position and certainty.

There is also a need for the applicant to provide evidence through the form of a viability appraisal to demonstrate the need for the level of SCRIF funding being sought as at present it is not possible to determine whether or not the scheme is financially viable without the SCRIF investment and whether this is the minimum level of SCRIF required to enable delivery.

Please summarise your assessment of the scheme's management case and set out any recommendations

Further information is required in order to ensure that a satisfactory management case is presented. The Council needs to provide written confirmation to confirm its position in terms of who the SCRIF funding recipient and contracting body will be. It is recommended that the SCR enters into a contractual funding agreement with the Council rather than BPL to limit its risk exposure around the non-delivery of outputs.

The applicant also needs to provide further information on its intended procurement route in relation to the delivery of the SCRIF funded public infrastructure works as there are mixed messages portrayed. The SCR should ensure that the works are procured in a competitive manner which delivers value for money from a public sector investment perspective and that this forms part of the funding agreement.

Further clarity also needs to be provided around the roles of the respective partners within PWL, particularly from a funding/investment perspective. Ideally, the applicant should provide a copy of the joint venture agreement relating to PWL to provide further clarity on who will be funding and developing the phase 1 scheme and the source/certainty of the funding.

A number of other key project delivery risks are apparent as set out in the management case and the above sections. These relate to the following:

- Market demand/private sector funding/commercial deliverability
- Infrastructure/construction costs
- Town planning (Section 73 variation not yet approved)
- State Aid (if the private sector investment doesn't materialise as envisaged)

Summarise your overall assessment of the scheme and recommendations for SCR

On the face of this there is considered to be a good case for SCRIF investment in this project on the basis that a £2.85m SCRIF investment could unlock the wider development of the Peak Resort scheme, intended to become a nationally significant year-round tourism, leisure and education destination on a site that was formerly home to an open cast mine on the edge of Chesterfield. The Peak District is a key physical and economic asset for the Sheffield City Region and there is a significant opportunity to increase the number of higher value visits to the area, largely through addressing the current lack of overnight accommodation and increasing the number of staying domestic and international visitors. £2.85m of SCRIF is being sought to unlock the first phase of development on the site which intended to comprise an £84m scheme to deliver 35,000 sqm of new floorspace including two hotels (one more focused on luxury lodges), an educational campus and a multi-purpose events space. Phase 1 could support c.400 new gross jobs with a further c.800 associated with the wider development of the site in later phases.

The strategic case for SCRIF investment is strong and subject to increased certainty around the funding and deliverability of the phase 1 scheme, the economic case has the potential to be strong. However, there remain significant uncertainties around the levels of private sector commitment and funding to deliver the phase 1 scheme, the outputs of which are being used to make the case for this SCRIF request. The commercial and financial case weaknesses and the impact this has on the scheme's economic case means that as currently structured, there is significant risk to the value for money and reputation for the SCR as a prospective public funder of the scheme. There is a risk that SCRIF funds the infrastructure works and that no further private sector investment or outputs come forward without further evidence of commitment from the applicant and its partners. There is also a need for the applicant to provide evidence through the form of a viability appraisal to demonstrate the need for the level of SCRIF funding being sought.

Based on the above, we therefore consider there are two options available in respect of how this project can proceed further:

1. Defer the SCRIF award/delivery until such time as a greater level of certainty can be provided around the private sector commitment and funding certainty
2. The introduction of an appropriate claw-back mechanism within a funding agreement between SCR and the Council to mitigate the risk to the SCR of the non-delivery of commercial floorspace following upfront public sector investment in infrastructure. 100% clawback should be sought and if the phase 1 floorspace outputs are not delivered within a reasonable timeframe as reported then the SCR would have the ability to claw-back SCRIF monies against non-delivery of floorspace within these timeframes (on a proportionate basis). Further clarity should still be sought on the project costs under this option.

Under both options, it is recommended that prior to any formal funding award, the applicant provides a viability appraisal to demonstrate the lack of scheme viability and the need for the level of SCRIF funding being requested as this has not currently been provided and is critical to demonstrate the financial need for public sector funding support.

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SCR COMBINED AUTHORITY INFRASTUCTURE EXECUTIVE BOARD

22 April 2016

SCHEME REFINEMENT OUTCOME AND NEXT STEPS

Summary

- **The paper sets out proposed changes for three schemes included in the existing SCRIF programme. The proposals have been made to respond to a call to improve the deliverability of the programme.**
- **The board is asked to consider and agree the proposed changes for each scheme.**

1. **Issue**

1.1. This paper reports the outcome of the call for scheme refinement and sets out the next steps.

2. **Recommendations**

2.1. To consider and agree the proposed changes to the Worksop and Vesuvius Works scheme

2.2. To consider and agree the proposed changes to the M1 Junction 37, A635 Claycliffe Link scheme.

2.3. To consider and agree the proposed changes to the Sheffield City Centre scheme.

2.4. Note the wider commentary from scheme promoters

2.5. Note the next steps, specifically for a paper to the next board to set out an updated programme for all scheme, including any changes agreed.

3. **Background Information**

3.1. At the February IEB it was agreed that existing SCRIF promoters are given the opportunity to undertake a review of schemes in the current programme to identify if changes are needed to improve their deliverability.

3.2. Responses to the call have been received for three schemes and the summary of the changes for each scheme are set out as follows. The outputs and outcomes proposed by the scheme promoters would be subject to full appraisal when a full business case is presented.

Worksop and Vesuvius Works

3.3. The current scheme is seeking £2.8m and includes improvements to five key junctions around the A57, Worksop. The scheme is in two phases, with £500k already requested for the proposed signalisation of the A60/A57/B6024 junction in 2015/16 (under construction as of 15th February 2016). The business case for phase two, the remaining four junctions, is yet to be presented to the board for consideration.

3.4. The SCRIF investment in the highway improvements was identified to contribute to the development of c.48ha of new employment land and around 1600 new houses. There is an aspiration to also redevelop a key brownfield employment site (Vesuvius Works) as a strategic employment site comprising a further 14 ha of development land.

3.5. The original scheme was set up to ensure that the road improvements required along the A57 were front loaded. This was to create an environment where the key development sites were able to develop out without any the need to fund or undertake any strategic off-site road improvements. This left the developer to deliver their on-site infrastructure works required for each site.

3.6. The scheme promoter has engaged with the landowners of the two key employment sites in Worksop (Shireoaks Common and Mantonwood). It is now proposed that the funding should be focused on contributing towards the cost of the on-site infrastructure (such as the access roads and junction improvements to the A57), which would unlock the two key development sites. The remaining strategic road improvements required (once these and other development sites are built out) will still be delivered once the associated Community Infrastructure Levy (CIL) payments are in place (CIL was due to match fund each of the remaining roundabouts).

3.7. It is proposed that amending the scheme will still deliver the 2,600 jobs originally intended, but their deliverability is more certain with this more targeted approach. The proposal focuses the SCRIF investment on the key infrastructures that unlock jobs, rather than spreading it across the wider transport network over a longer timescale. This approach is proposed to more rapidly bring forward the employment sites and the associated CIL payments. The unlocking of the CIL payments are then seen as a catalyst deliver the remaining strategic off-site highway improvements to bring forward other sites, which are predominantly housing related.

M1 Junction 37, A635 Claycliffe Link

3.8. The existing scheme is seeking £11.8m to deliver the Claycliffe Link Road which was identified to unlock 65ha proposed employment land and deliver c3,000 jobs. The local plan has progressed further and now proposes a large mixed use site rather than a smaller employment only site.

3.9. This has in turn changed the assessment of the infrastructure requirements, confirmed through further transport modelling work, and creates further direct opportunities from housing outputs to support the SEP and IIP targets.

3.10. The £11.8m maximum scheme allocation is proposed to remain but instead of this paying for the development link road across the site it will pay for the entire off site works plus some elements of the on-site costs to ensure the development is phased in an acceptable way to accelerate development.

3.11. The mixed use allocation also assists in cross subsidising the on-site costs to allow for essential off site works to be funded through SCRIF. As a result Private sector investment will be significantly increased with the revised scheme.

3.12. The revised outcomes are 121ha of mixed use development, potentially resulting in 3,400 jobs and 1,700 new homes. The potential contribution presented by the scheme promoters is significantly increased from £14.9m to £325m.

Sheffield City Centre

3.13. The Sheffield City Centre scheme is a multi-stage investment that includes six distinct, but complementary projects. The total scheme seeks to invest c£18m in bringing forward elements of the City Centre Masterplan. SCRIF investment has already been made in two of these project which are Grey to Green phase 1 and University Campus.

3.14. The potential to refine this project will help to bring forward regeneration of Castlegate which has recently become more viable than in the Moorfoot area. Opportunities for partnership and match funding have arisen to progress phase 2 of the Grey to Green project. This proposal therefore seeks to reprofile funding from Central Retail 1 (Moorfoot) of £2.855m to Grey to Green 2 of £2.679m. The difference between these two values £0.175m has been requested to cover loss of ERDF on Grey to Green 1 as completion of the scheme was delayed beyond end of ERDF programme where claims could be made.

3.15. The Grey to Green phase 2 project is forecast by the scheme promoter to deliver 18,400 sq m commercial space directly unlocked 50,500 sq m commercial office space enabled in total supporting 2,166 jobs.

Wider Comments from scheme promoters

3.16. In addition to specific requests to refine schemes, the following has been raise by scheme promoters for noting by the board:

- BMBC anticipate that the J36 phase 2 Goldthorpe scheme may require refinement as the employment allocation for the local plan is finalised. It may be appropriate for BMBC to do a revised pro forma at a future point. This is envisage this will be in Q2 of 16/17. The board will be updated as appropriate.

- A number of partners have asked about adding additional schemes, for example North East Derbyshire highlighted the Callywhite Lane Industrial Estate and progress that has been made to develop the scheme ready for future opportunities. This topic is covered in a separate paper, and it is noted that partners are preparing schemes outside of the current programme.

Next steps

3.17. The following are proposed as the next steps for the next Infrastructure Executive Board:

- Where revisions are agreed, scheme promoter to provide a revised delivery and spend profile

- Quarter 4 updates complete for all projects which will be used as a baseline for 16/17 delivery and creation of a performance dashboard for future monitoring.

- Full business case approval will need to demonstrate that the schemes continue to meet the five case of Green Book appraisal and are value for money.

4. Implications

i. Financial

4.1. There is no impact on the overall allocations in the capital programme. Worksop and Vesuvius would remain with an allocation of £2.8m. M1 Junction 37, A635 Claycliffe Link would remain with an allocation of 11.8m and Sheffield City Centre's overall allocation of £17.7m.

4.2. Within the Sheffield City Centre project there would be a reallocation of £2.855m from Central Retail 1 (Moorfoot) with £2.679m allocated to Grey to Green 2 and £0.175m allocated to Grey to Green 1.

4.3. The agreement to these recommendations will result in changes to the timing of spend in the capital programme. If the principle of the change is agreed the scheme promoters will be asked to provide a revised spend profile and this will be presented to the board.

ii. Legal

Changes to the allocation for Grey to Green phase 1 would require the presentation of a revised Value for Money assessment and an updated funding agreement.

iii. Diversity

None as a result of this report.

iv. Equality

None as a result of this report.

REPORT AUTHOR **Neal Byers**

POST **SCRIF Coordinator**

Officer responsible: **Julie Hurley, Director of Transport**
Sheffield City Region
0114 2203445

Sheffield City Region COMBINED AUTHORITY

INFRASTRUCTURE EXECUTIVE BOARD

22 April 2016

COMMISSIONING FUTURE INFRASTRUCTURE PROGRAMMES

Summary

- This report considers **options for discussion** regarding the future approach to scheme sifting and prioritisation, to determine how to attract investment.
- The report considers the key questions that SCR and promoters must ask of investment propositions to determine which should receive funding.

1. **Issue**

1.1. This report presents options to **facilitate a discussion** on the future sifting and prioritisation of schemes to be delivered using devolved funding and other emerging funds. The assumption is that SCR will require an agreed programme in place by April 2017.

2. **Recommendations**

2.1. The Infrastructure Executive Board (IEB) discusses the future approach set out in para 3.16 to 3.20.

3. **Background Information**

3.1. It is important that SCR has a means of comparing investment propositions for its devolved funding[1] to determine which proposals will best deliver against the SEP objectives. SCR already has a process for this but it needs to evolve to respond to changing needs.

[1]Devolved funding covers a range of scheme types, including but not limited to infrastructure, transport, housing, skills, and business growth.

3.2. This paper critically evaluates scheme sifting and prioritisation processes historically applied by SCR and presents options for future investment rounds, informed by lessons learned and feedback received from the Combined Authority Executive Boards and SCR Chief Executives.

3.3. This paper presents a measured and well considered approach that allows public and private input to a strong economic proposition.

Background

3.4. Thus far, government has devolved funding to SCR based on the strength of SCR's governance and assurance processes, which were developed and utilised for the SCR Investment Fund (SCRIF).

3.5. Since the development of the SCRIF programme, SCR's devolution agenda has evolved in the following ways:

- **Devolution Deal:** SCR is agreeing its Devolution Deal with Government which includes annual, flexible 'Gainshare' funding.

- **Future Local Growth Fund (LGF):** The expectation is that Government will announce further devolved funding opportunities in the summer through another round of LGF.

- **SCR Integrated Infrastructure Plan (SCR IIP):** SCR is to publish an integrated strategy for infrastructure and an associated commissioning process with a view to developing the next programme of infrastructure investment.

Lessons Learnt

3.6. In developing the next programme the following are the key lessons learnt from the previous prioritisation approach:

- SCR secured the full ask put to Government suggesting that the approach was successful overall

- The FLUTE model that underpinned the prioritisation approach was well supported by Government officers as an independent approach to assessing the potential benefits of investment

- Some Local partners have expressed recently that the metrics on which FLUTE has prioritised are too narrow and that there is an over-reliance on the model to lead decisions. Conversely some partners preferred the clarity provided by an approach informed by the model.

- The private sector need to have access to the process and SCR need to determine how this will work

- Some schemes were not very well developed, leading to poor estimation of the cost and timescales for delivery. There needs to be stronger checks on initial scheme proposals. This could also include the need for planning departments to check the feasibility of land unlocked by investment

- The timescales set by Government were unhelpful. SCR did not commit to a programme until its analysis was complete.

- Communication between SCR and partners and internally within partner organisations could be improved

3.7. A wider view of lessons learnt from the first year of operation is being undertaken along with the Quarter 4 Performance Highlight Reports.

Programme Timescales

3.8. SCR must focus on the delivery of its current investment programme (SCRIF) whilst at the same time preparing for the next round of investment – which could realistically commence in 2017, maintaining momentum when SCRIF delivery spending plateaus.

3.9. We want to be sure we are engaging both public and private sector partners, identifying the right schemes, supported by a robust process, this takes time. However, we expect that government will require an indication of our priorities as part of the next Local Growth Fund round to release the funding.

3.10. It is proposed that only initial, indicative thoughts on a high level programme are provided in line with Government's LGF timescales (expected summer 2016). This indicative list will effectively be a challenge to the industry to partner on our schemes or to enhance our programme. This will also serve to present the economic opportunities of SCR to potential investors.

3.11. We need to be cognisant of Government timescales and have sufficient information to be able to respond to calls for 'oven ready' schemes when they ask for them.

The SCR Investment Fund (SCRIF) Process

3.12. The SCRIF is focused exclusively on infrastructure. It is made up of a number of devolving funding sources including major scheme transport funding and Local Growth Fund. Prior to receipt of these, SCR agreed assurance arrangements with Government.

- **Sifting:** Individual scheme proformas were developed by scheme promoters which included a basic proposal description and a high level indication of the potential costs and benefits.

- **Prioritisation:** the FLUTE model was utilised to compare the economic impact of the proposed investment, measured in Gross Value Added (GVA). Some secondary objectives were then applied as part of a programme balancing exercise.

  The setting of these objectives were considered by Leaders over a number of meeting to ensure they were agreed before being confirmed.

3.13. This process was successful in creating an agreed programme of 15 programmes totalling £211 million in value.

Could the SCRIF process continue for wider investment?

3.14. The suitability of the SCRIF prioritisation approach for future investment has been questioned because:

- **Prioritisation parameters:** It has been suggested that the SCRIF pure GVA approach would be too restrictive given the wider range of scheme types and the multiple dimensions of the SEP.

- **Suitability of FLUTE model tool:** SCR has been asked to consider whether alternative configurations of the FLUTE model (i.e. wider appraisal parameters) could effectively support future prioritisation.

3.15. SCR has an opportunity to revise the FLUTE model to effectively prioritise based on wider parameters than GVA.

3.16. There are two stages to prioritisation – 'Scheme Testing' and then 'Programme Balancing'. The proposed process below seeks to utilise programme balancing against a wider set of appraisal objectives.

Options: Principles of Prioritisation

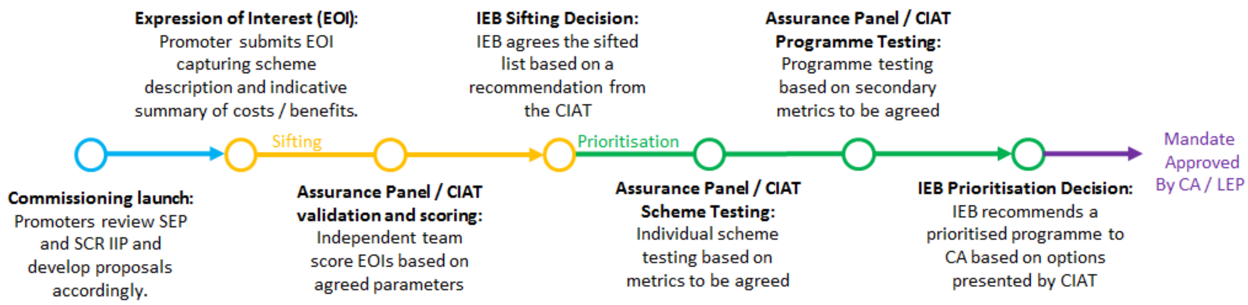
- **No model:** If SCR was to prioritise without the use of modelling tools, the assurance framework could be challenged by Government as not being suitably robust or evidence based.

- **Alternative model:** There is an option to utilise an alternative tool to FLUTE, however ultimately we would be migrating the same issues – The model results are a factor of the questions we ask of the tool i.e. how we decide to prioritise.

- **Reconfigured FLUTE model:** It is possible to reconfigure the FLUTE model to appraise schemes based on a wider set of indicators than purely GVA. It is suggested that this approach will be the most efficient.

Future Process

3.17. A suggested future process is summarised in the diagram below and summarised in the following sections. The IEB is asked to discuss and approve this approach in principle.



3.18. Schemes that are successful through the prioritisation process could be pooled and progressed according to funding availability.

Sifting

3.19. The IEB is asked to approve the following approach to sifting:

- **Stage 1: Strategic Fit:** Promoter reviews the strategic landscape including the SEP, SCR IIP, Transport Strategy and other relevant plans.

- **Stage 2: Expression of Interest (EOI):** Includes indicative funding requirement and type, outputs, outcomes, timescales, risk, return on investment, multi criteria analysis.

- **Stage 3: Assurance Panel / Central Independent Appraisal Team (CIAT) Validation and Scoring:** The CIAT[2] scores each indicator [1-5]. The CIAT will make a recommendation to the IEB based on the total score of the proposition.

- **Stage 4: IEB Approval:** The IEB agrees which projects should proceed to prioritisation, informed by the EOI score and Assurance Panel / CIAT recommendation.

Future Prioritisation Process

3.20. The IEB is asked to approve the principle of the below prioritisation approach, with SCR to work up details and present at the next meeting.

3.21. **Stage 1: Scheme Testing:** Test schemes against a primary set of performance indicators (e.g. GVA)

3.22. **Stage 2: Programme Balancing**: Assess programme options based on other factors. These factors should be limited in number to avoid over-complexity, but could be modified year on year, depending on prevailing policy. For example:

- Impact on **carbon emissions**
- Impact on **town centre / growth areas**
- Impact on **housing**
- Impact on **high value sectors**
- Impact on **rural economy**
- Impact on access to **deprived areas**

3.23. The IEB is asked to consider what factors SCR should use to balance the programme on (i.e. what factors other than GVA should inform prioritisation?)

3.24. **Stage 3: IEB Approval:** IEB approves based on programme options and makes a recommendation to the **CA / LEP** for final ratification / sign-off.

3.25. The principles of the above process are designed to be replicable across other boards that manage funds/programmes. The other boards should therefore be sighted on the key principles as they are developed.

[2] The CIAT is one of three framework consultant consortiums, providing independent support to the SCR Assurance Panel.

Promoter Pre-Development Funding

3.26. SCRIF scheme promoters were not provided with upfront funding to develop schemes, however the option existed to include scheme development costs within the SCRIF bid as part of the total project costs.

3.27. Partners have suggested that SCR should consider a mechanism for supporting resourcing of proposal development (beyond prioritisation).

3.28. The IEB is asked to consider whether a mechanism should be investigated to facilitate up front funding.

3.29. Note that any mechanism would have to comply with funding restrictions regarding capitalisation.

4. **Implications**

4.1.
i. Financial

4.2. None at this stage

ii. Legal
None at this stage

iii. Diversity
N/A

iv. Equality
N/A

REPORT AUTHOR: David Allatt
POST : Planning and Sustainability Manager, Sheffield City Region
Officer responsible: **Julie Hurley**
Sheffield City Region
0114 2211263
Julie.hurley@sheffieldcityregion.org.uk

Sheffield City Region

SCR INFRASTRUCTURE EXECUTIVE BOARD

26th FEBRUARY 2016

AMP, WAVERLEY, ROTHERHAM

No.	Item	Action
1	**Welcome and Apologies** Present: Board Members Mayor Ros Jones - Doncaster MBC, CHAIR Martin McKervey - Nabarro (LEP) Chris Scholey – Doncaster Bassetlaw NHS Foundation Trust (LEP) Neil Taylor - Bassetlaw DC Apologies were received from Board Members Cllr John Burrows, (Chesterfield BC) and John Mothersole (Sheffield CC) In Attendance Amy Harhoff - SCR Executive Team Neal Byers - SCR Executive Team Dave Allatt - SCR Executive Team Veena Prajapati - SCR Executive Team Alison Westray-Chapman - North East Derbyshire DC Neil Johnson - Chesterfield BC Ben Morley - Sheffield CC Peter Dale – Doncaster MBC Matt Gladstone - Barnsley MBC Paul Woodcock - Rotherham MBC Craig Tyler - Joint Authorities Governance Unit	
	Chair's Announcement The Chair informed the Board that Amy would soon be leaving the SCR Executive Team to take up a new post at TfN. Everyone wished Amy well for the future and requested their thanks be placed on record for all her support for the Board.	
2	**Declarations of Interest** None noted	
3	**Urgent Items / Announcements** None received	

4.1	**Integrated Infrastructure Plan - Endorsement** Amy provided the Board with a précis of milestone dates until November 2016 for the development, launch and implementation of the SCRIIP: • 11th March - SCRIIP final draft to be considered at IDG • 14th March - SCRIIP final draft to be presented to the CA for endorsement • 31st March - SCRIIP final draft to be presented to the LEP for endorsement • **April16 - Final draft to have been agreed by all** • May - Jun - Commissioning of proposals • Jul - Aug - call for and sifting of early expressions of interest • Aug-Oct - Programme appraisal • Nov - Agree prioritised programme • Dec - Agree detailed capital programme for SCR infrastructure projects It was noted that this process will include a review / appraisal of the technical tools employed e.g. the FLUTE model to ensure these are performing as expected. It was agreed that a workshop for IEB members should be convened before the next IEB meeting to review the draft n detail. **Action: Amy to arrange** Members questioned whether the proposed timescales were realistic. It was suggested these will be challenging but, based on the SCRIF experience, achievable. Members also noted the need to ensure these timescales aren't overly predicated on available staff resources in the districts, which it was suggested are increasingly scarce. It was recognised that a draft timetable needs to be put in place to help progress the work. It was suggested that the timetables don't provide enough time to engage private sector investors / developers who might be looking to partner on projects but will need longer times to consider and develop their proposals.	**AH**
4.2	**Integrated Infrastructure Plan – Summit Events** A report was received to update the Board on the proposed plans for hosting a Sheffield based and a separate London based IIP Summit events.	

	It was noted that the SCR IIP is a high profile strategic document, aimed at stimulating the conditions for growth and suggested that as the SCR will be the first area outside of London to adopt a plan of this kind and so marketing this is critical. It was confirmed that the Sheffield Summit event will take place at a city centre venue, TBC, and will focus on bringing together Local Authority partners, relevant/ engaged businesses, and Infrastructure providers, relevant/ engaged Third sector representatives and National bodies such as HS2, DFT, TfN and Environment agency. Potential guest speakers are currently being approached for both events including Lord Adonis. Members suggested that the ‘TBC’ gives off the wrong message and needs to be sorted as quickly as possible. It was suggested that a prominent location, linked to one of the infrastructure ambitions, should be used. **Action: ALL to propose ideas to Amy** It was noted that Nabarro’s,125 London Wall office has been offered for the London Summit event with the focus of the event being to engage with MPs, SCR relevant/ engaged Investors, DTF and the National Infrastructure Committee members. It was suggested that the expectations of the ‘international platform’ need to be recognised. This might include the need for longer lead in times. It was agreed that a task and finish group is needed to oversee arrangements for the London event. **Action: Amy to establish with IDG’s assistance** It was noted that a budget of £30,000 will be requested from the 2016/17 budget, devolved to the SCR Exec Team Head of Paid Service to operationalise the events. This budget will include the cost of delivering the events, production of a summary 1-minute-long IIP video and glossary 4 page IIP summary document **RESOLVED, that the Board members’ note plans for the IIP Summit events (with comments).**	 **ALL** **AH**
5	**CIAT Business Case Recommendations** A report was received requesting the Board endorse the CIAT recommendations in respect of the Olympic Legacy Park, and the Worksop and Vesuvius schemes, and requesting agreement for the receipt of recommendations for BRT North outside standing orders. Members questioned a number of matters in relation to these	

	schemes and requested more background and financial to information to help inform these decisions. **RESOLVED, that the Board Members:** **1. Defer a decision on the recommendations for the Olympic Legacy Park, pending the receipt of more supporting information to the next meeting** **2. Agree to take a decision on the Worksop and Vesuvius scheme by email, pending the receipt of more supporting information** **3. Decline the recommendations to progress BRT North outside the meeting using written procedures and request the matter be brought formally before the next meeting.**	
6	**<u>SCRIF Programme Update</u>** A report was received requesting the Board note the SCRIF programme update to agree the change control recommendations to inform the further development of the Programme. It was reported that the SCRIF programme is maturing well with 4 Schemes having achieved Award of Contract so far and 5 schemes expected to achieve Award of Contract this quarter. A process review has also been undertaken to identify opportunities to speed up the business case process. It was reported that the main conclusion from this review was a recommendation to undertake contract negotiations as early as possible to ensure once approval is given the contract can be signed. This recommendation has been implemented. The report included a summary table of all the current status of all SCRIF projects and the forecast delivery milestones. **RESOLVED, that the Board members note the programme update, agree the changes to the programme (as set out in section 3.3-3.9) and agree the proposal for scheme reviews to be undertaken by the Board going forward.**	
7	**<u>SCR IEB Business Plan 2016/17</u>** A paper was presented to provide the final draft of the Infrastructure Executive Board Business Plan 16/17 for discussion and recommending its inclusion in the composite SCR CA/ LEP 16/17 Delivery Plan. Members discussed the need to now see the various thematic Business Plans collectively to get a better understand of any overlaps to be addressed and synergies to be exploited. It was noted that an all-Leaders workshop is planned for mid-March to commence this work. **RESOLVED, that the Board endorse the recommendation of the Plan in the composite SCR CA / LEP 16/17 Delivery Plan and note the updated activity and resourcing implications.**	

8	**Minutes of the Previous Meeting** **RESOLVED, that the minutes of the previous meeting held on 15th January are agreed to be an accurate record of the meeting**	
9	**Any Other Business** i) Sir John Armitt Members were advised that Sir John Armitt, one of the NIC Commissioners is visiting the region om 11th March. It was suggested this would be a good opportunity to raise the SCR profile. ii) Northern Powerhouse Conference It was reported that yesterday's conference was fairly 'transport-heavy' and SCR got good coverage in discussions. The Board members discussed the advances other Northern regions are making in attracting foreign investors. It was suggested SCR should consider whether it is placed to make such progress. **Action: Amy to discuss with Rachel Clark**	**AH**
13	**Date of the Next Meeting** 22nd April – AMP, Waverley Rotherham, 10.00am	

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