

**SCR INFRASTRUCTURE EXECUTIVE BOARD**

**22nd APRIL 2016**

**BROAD STREET WEST, SHEFFIELD**

<b>No.</b>	<b>Item</b>	<b>Action</b>
1	<p><b><u>Welcome and Apologies</u></b></p> <p>Present:</p> <p><u>Board Members</u>            Mayor Ros Jones - Doncaster MBC, CHAIR            Martin McKervey - Nabarro / LEP            Chris Scholey – Doncaster Bassetlaw NHS Foundation Trust / LEP</p> <p>Apologies were received from Board Members: Cllr John Burrows, Chesterfield BC, John Mothersole, Sheffield CC and Neil Taylor, Bassetlaw DC</p> <p><u>In Attendance</u>            Neal Byers - ARUP / 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            Dave Caulfield - Sheffield CC            Peter Dale – Doncaster MBC            Matt Gladstone - Barnsley MBC            Adrian Withall - Rotherham MBC            Paul Wilson - Derbyshire Dales DC            Craig Tyler - Joint Authorities Governance Unit</p>	
2	<p><b><u>Declarations of Interest</u></b></p> <p>None noted</p>	
3	<p><b><u>Urgent Items / Announcements</u></b></p> <p>None received</p>	

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## Appraisal Panel Business Case Recommendations

The Board was presented with recommendations by the SCR Appraisal Panel for consideration.

Members were provided with a reminder of the appraisal process.

### Worksop and Vesuvius Phase 1

The Board was asked to consider and agree the recommendation for the Worksop and Vesuvius Phase 1 scheme to progress to full approval and note the following conditions:

- The Grant will be awarded to Bassetlaw District Council;
- The maximum value of investment from SCR funds for this scheme will be £0.5m.
- 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

The recommendation was agreed.

Members noted that the scheme promoter has started work early at the promoter's own risk.

### Bus Rapid Transit North

The Board was asked to consider and agree the recommendation for Bus Rapid Transit North to progress to full approval and note the conditions

- The Grant will be awarded to South Yorkshire Passenger Transport Executive;
- The maximum value of investment from SCR funds for this scheme will be £4.02m.
- 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.

The benefits of the scheme were reiterated. These include taking pressure of M1 junction 34, and opening up a large site for development.

Members sought clarity around the additional costs of remediation, noting that the scheme is largely funded from public money with little private contribution.

Using this scheme as an example, it was suggested that the rules need to be generally tightened regarding requests for extra funding and the Board agreed the principle that future cost overruns on all schemes should be borne by the sponsoring authority unless it can be determined that other potential sources of funding are unavailable.

Assurances were sought that the projected number of new jobs linked to the site does not include any elements of potential double counting. It was noted that the figures have been determined using HCA standard methodology which, whilst not perfect, is consistent.

It was suggested that further information on whether these are directly or indirectly created jobs and a timeline for when these jobs might come to fruition should be provided.

The recommendation was agreed

#### Olympic Legacy Park

Members were asked to consider and agree the recommendation for Olympic Legacy Park to progress to full approval and note the following conditions.

- The Grant will be awarded to Sheffield City Council;
- The maximum value of investment from SCR funds for this scheme will be £4.9m.
- 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.

Concerns were noted that this scheme is yet to sign up a development partner and as such, it was suggested that clawback stipulations should be enforced. Dave C provided assurances that a part of the scheme's masterplan this situation will be addressed shortly and indicated SCC's acceptance of the proposed conditions.

It was acknowledged this is a significant project for the City Region.

	<p>The recommendation was agreed</p> <p><u>Peak Resorts</u>  Members were asked to consider and agree the recommendation for Peak Resorts to progress to full approval and note the following conditions:</p> <ul style="list-style-type: none"> <li>• The Grant will be awarded to Chesterfield Borough Council;</li> <li>• The maximum value of investment from SCR funds for this scheme will be £2.85m.</li> <li>• 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: <ul style="list-style-type: none"> <li>○ A copy of the Joint Venture Agreement has been received providing certainty of the funding / development approach to phase 1;</li> <li>○ A revised investment / viability appraisal has been agreed demonstrating the lack of scheme viability without private sector support and</li> <li>○ Greater certainty is provided in relation to Private sector funding contributions.</li> </ul> </li> <li>• Payments of SCR CA Grant will be made in arrears based on defrayals.</li> </ul> <p>Members noted a number of assurance concerns including the lack of development partner or commercial appraisal which, it was suggested, should prevent the Board making a decision at this time.</p> <p><b>Action: N Byers to report the Board’s comments to the Appraisal Panel and Scheme Promoter</b></p> <p><b>RESOLVED, that the Board members:</b></p> <ol style="list-style-type: none"> <li><b>1. Agree the recommendation for Worksop and Vesuvius to progress to full approval.</b></li> <li><b>2. Agree the recommendation for Bus Rapid Transit North to progress to full approval, noting the conditions.</b></li> <li><b>3. Agree the recommendation for Olympic Legacy Park to progress to full approval, noting the conditions.</b></li> <li><b>4. Defer a decision on Peak Resorts progressing to full approval, pending the receipt of further delivery assurances.</b></li> </ol>	<p>NB</p>
<p>5</p>	<p><u>Scheme Refinement Outcome and Next Steps</u></p>	

A paper was received setting out proposed changes for three schemes included in the existing SCRIF programme. It was noted these proposals have been made to respond to a call to improve the deliverability of the programme.

Regarding the Sheffield City Centre scheme, it was suggested that if the scheme had been rejected by the mini-commission process, it shouldn't have been resubmitted for consideration under SCRIF. However, it was noted that a failure to be granted mini-commission funding isn't an indictment of the quality of a scheme, just a reflection of the limited amount of funding available for allocation.

The request to fund the £175k loss of ERDF funding was declined as the Board agreed this should be borne by the scheme promoter (see item 4 - BRT North).

A presentation on the Sheffield City Centre scheme was requested for the next meeting to provide IEB with more information to explain the changes.

**Action Dave C to convene**

The Board discussed potential issues (and dangerous precedent) that might arise as a consequence of having 2 approaches to appraisal (SCRIF and mini-commission).

The Board was asked to note that where revisions are agreed, scheme promoters will be asked to provide a revised delivery and spend profile

It was noted that Quarter 4 updates (complete for all projects) will be used as a baseline for 16/17 delivery and inform the performance dashboard for future monitoring.

**RESOLVED, that the Board Members:**

- 1. Agree the proposed changes to the Worksop and Vesuvius Works scheme**
- 2. Agree the proposed changes to the M1 Junction 37, A635 Claycliffe Link scheme.**
- 3. Note the proposed changes to the Sheffield City Centre scheme but reject the request for £175k to cover the loss of ERDF on Grey to Green 1.**
- 4. Note the wider commentary from scheme promoters**
- 5. Note the next steps, specifically for a paper to the next board to set out an updated programme for all scheme, including all changes agreed.**

	<p>The Board was provided with a précis of the milestone dates, updated as a consequence of officers devoting time to the Devolution Deal work and other matters.</p> <p>It was noted that the intention is still for a stage 1 summer 2016 sign off.</p> <p>CA and LEP Board members will be attending a workshop in mid-late May to discuss the SCRIP as part of the session on agreeing the vision, principles and priorities of the Sheffield City Region and a further engagement session will be held in June ahead of the final design version being presented to the CA and LEP on 1st August.</p> <p>It was suggested that the IIP needs to be informed by, and if appropriate prioritised in recognition of, the work to determine the SCR's priorities</p> <p>The benefit of the IIP having some 'game changers' to sell to the world was suggested.</p> <p>It was noted that the Local Authority planners have reported concerns with the FLUTE model (to be used to help prioritise schemes). Assurances were provided that these concerns will be addressed, and planners will be asked to also sign off the plan before stage 1 publication.</p> <p>It was noted that stage 2 'the development of a programme of interventions' will commence with a request for expressions of interest from August - September 2016. These will be sifted October - November and assessed ahead of the determination of an agreed capital programme of investment in spring 2017.</p> <p>It was suggested that key announcements might be tied into MIPIM events if possible.</p> <p><b>Action: Veena to circulate the presentation</b></p> <p>It was noted that the Sheffield and London launches are still scheduled for Autumn 2016.</p>	VP
7	<p><b><u>IIP Summit</u></b></p> <p>Matter addressed at item 6.</p>	
8	<p><b><u>Commissioning Future Infrastructure Programmes</u></b></p> <p>A report was provided presenting options to facilitate a discussion on the future sifting and prioritisation of schemes to</p>	

	<p>be delivered using devolved funding and other emerging funds. It was noted that the assumption is that SCR will require an agreed programme in place by April 2017.</p> <p>Members were asked to note the importance of SCR having a means of comparing investment propositions for its devolved funding to determine which proposals will best deliver against the SEP objectives. It was noted the SCR already has a GVA uplift based process for this but it needs to evolve to respond to changing needs.</p> <p>Members were asked to endorse prioritisation by means of a reconfigured FLUTE (Forecasting Land Use, Transport and the Environment) model, noting it is possible to reconfigure FLUTE to appraise schemes based on a wider set of indicators than purely GVA. It was noted that a stage 1 assessment would be used to consider schemes on GVA, followed by a second assessment of other indicators.</p> <p>Members voiced general support for this option, however, it was acknowledged that few people have a comprehensive understanding of FLUTE and a guidance note was requested.</p> <p><b>Action: Dave A to devise and circulate a FLUTE guidance note</b></p> <p>Members requested that information be presented by means of a table, listing the schemes and ‘assessments’ against all key criteria (including GVA) and enable the right balance of schemes needed to deliver the entire SEP to come to the fore.</p> <p><b>RESOLVED, that the Board members:</b></p> <p><b>1. Agree the future approach to scheme prioritisation (predicated against a reconfigured FLUTE model) as set out in para 3.16 to 3.20 of the report</b></p>	<p><b>DA</b></p>
<p><b>9</b></p>	<p><b><u>Infrastructure Executive Board Minutes</u></b></p> <p>The minutes of the previous meeting held on 26th February were agreed to be an accurate record of the meeting.</p> <p>The following matter was noted as arising:</p> <p><b>8. <u>Northern Powerhouse Conference</u></b> It was noted that a report will be presented to the next meeting on whether the SCR is poised to attract foreign investors (noting progress made elsewhere).</p> <p><b>Action Veena to discuss with Rachel Clark</b></p>	<p><b>VP</b></p>

	<p><b>RESOLVED, that the minutes of the previous meeting held on 26th February are agreed to be an accurate record of the meeting</b></p>	
<p><b>10</b></p>	<p><b><u>Any Other Business</u></b></p> <p>i. <u>Sir John Armitt Visit</u> It was reported that Sir John Armitt (NIC Commissioner) visited on 11th March. Matters discussed included the SCRIP and Devolution potential. It was suggested the meeting was very positive and a number of key messages about the SCR were presented.</p> <p>ii. <u>SCRIF Lessons Learnt and Q4 Delivery Reports</u> Members were informed that as well as seeking the Q4 information, the opportunity will be used to ask scheme promoters to provide some ‘lessons learnt from SCRIF’ thoughts.</p> <p>These will be reported to the Board in due course.</p> <p>iii. <u>Local Growth Fund - Majors Pot</u> The Board was informed that DfT has released guidance inviting LEP areas to submit bids to the £475m Large Local Major Schemes fund, which forms part of LGF</p> <p>It was noted this is for ‘exceptionally large, transformational schemes that are too big to be taken forward within regular growth allocations and could not otherwise be funded’. In terms of scale, for the SCR LEP area, the minimum scheme size would be £75 million.</p> <p>It was noted that the deadline for the main competition is the 21 July 2016.</p> <p>It was noted that an initial call for schemes will be put to the SCR partners to ensure no potential schemes have been missed. The Board members noted their expectation that all potential schemes will already be referenced in SCRIF or SCRIP in some respect.</p> <p>It was noted that DfT will be expecting a local contribution to any allocation.</p>	
<p><b>13</b></p>	<p><b><u>Date of the Next Meeting</u></b></p> <p>3rd June – Broad Street West, Sheffield, 10.00am</p>	