

INFRASTRUCTURE EXECUTIVE BOARD

Date: Friday 3 June 2016

Venue: AMP, Waverley, Rotherham

Time: 10.00 am

Sheffield
City Region

COMBINED
AUTHORITY

AGENDA

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<u>Introduction</u>				
1	Welcome and Apologies	Verbal	Chair	
2	Declarations of Interest	Verbal	All	
3	Urgent Items/Announcements	Verbal	All	
<u>Business Items</u>				
4	SCRIF Business Cases			
4a	Peak Resorts and Junction 37 1a	Paper	N Byers	1 - 26
4b	Sheffield City Centre Scheme	Paper	D Allatt	27 - 30
5	SCRIF Quarter 4 Programme Update	Paper	D Allatt	31 - 38
6	Local Growth Fund 3 Process and Timescales	Paper	V Prajapati	39 - 42
7	Sheffield City Region's Progress in Attracting Inward Investment	Paper	V Prajapati	43 - 48
8	DFT Large Local Majors	Paper	D Allatt	49 - 56
<u>Updates</u>				
9	Infrastructure Executive Board Minutes	Paper	Chair	57 - 64
<u>Actions & Forward Planning</u>				
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11	Agree Items for Combined Authority Meeting 20 June 2016	Verbal	All	

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<u>Date of Next Meeting - 15 July 2016</u>				

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 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 two schemes and the technical recommendations are now presented for consideration. The schemes are:

- **Peak Resorts**
- **M1 Junction 37 Economic Growth Corridor**

1. Issue

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

2. Recommendations

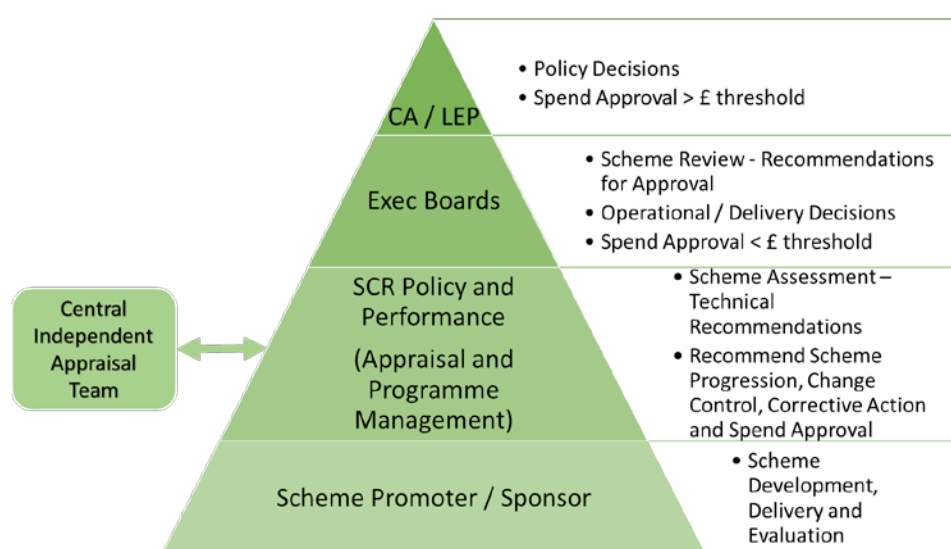
- 2.1. Consider and approve progression of Peak Resorts to Full Approval and Award of Contract at a cost £2.85M to SCR CA subject to the conditions set out in the Project Approval Summary Table attached at **Appendix 1**. This recommendation would be considered by the SCRCA.
- 2.2. Consider and approve progression of M1 Junction 37 Economic Growth Corridor to Stage 1B Full Business Case. This recommendation does not need to be considered by the SCR CA. A summary of the scheme assessment is set out in the Project Approval Summary Table attached at **Appendix 2**.

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 two schemes and the technical recommendation is now presented for review. The schemes are:

- Peak Resorts
- M1 Junction 37 Economic Growth Corridor

- 3.7. Included in Appendix 1 is the projects specific information following review and recommendation by SCR Appraisal Panel.

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
POST**

Melanie Dei Rossi
Head of Performance

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

Other sources and references:

Appendix 1 – Peak Resorts – Project Approval Summary Table and supporting evidence.

Appendix 2 – M1 Junction 37 Economic Growth Corridor – Project Approval Summary Table and supporting evidence

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Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Infrastructure	Strategic Case	Project has demonstrated a strong strategic case and has clear links to delivering the SEP	Funding	LGF
Project Name	Peak Resorts	Value for Money	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. 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.	Approval Requested	Full Approval and Award of Contract
Scheme Promoter	Chesterfield Borough Council	Risk	The Financial and Commercial case of the project have indicated that the risk category of the project is Medium and as such the recommendation to proceed is made on the basis that clawback in relation to outcomes is required. The promoter has indicated agreement to this.	Grant Award	£2.85m
SCR Funding	£2.85m			Grant Recipient	Chesterfield Borough Council
Total Scheme Cost	£81m	State Aid	The project is considered to be State Aid Neutral in relation to SCR investment.	Payment Basis	In arrears on defrayals
% SCR allocation	3.4%	Delivery	Clarity on the roles of each partner has been provided. There is greater clarity on the roles of each partner giving more certainly on the commitment to deliver the scheme beyond SCRIF investment.	Claw Back Clauses	Will be required
Description				Conditions of Award	
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. £2.85m of SCRIF funding is being sought to deliver upfront site infrastructure in order to unlock phase one of the site. 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.				30% clawback of funding on failure to deliver Phase 1 Outcomes within 3 years post completion of the practical works.	

Record of Approvals					
Appraisal Panel		Executive Board		CA	
Date of Meeting	24/05/2016	Date of Meeting	03/06/2016	Date of Meeting	20/06/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	SCR Officer Presenting Paper		SCR Officer Presenting Paper	
Signature	Melanie Dei Rossi	Signature		Signature	
Approving Officer	GARETH SUTTON FINANCE MANAGER	Approving Officer		Approving Officer	
Signature	Gareth Sutton	Signature		Signature	
Date	24/05/16	Date		Date	

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 at the last board meeting a weaknesses was identified in the uncertainty of third parties which created a risk to the overall business case.

The scheme promoter and project partner have subsequently review the concerns identified by SCR with a view to improve clarify and confidence of delivery. The conditions previously identified 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.

Chesterfield Borough Council has since provided a viability appraisal and some clarity on the role of each partner.

The viability appraisal provide sufficient justification to evidence the need for the investment of £2.85m. It is clear that a number of assumptions have been made to underpin the assessment and these are recommended to be reasonable.

The Joint Venture Agreement has not been provided, instead additional letter of support have ben provided by each partner. The applicant has indicated that full disclosure was not possible due to confidentially requirements of the parties. While the provision of the documentation does help to provide clarity, the limitations of the information provided does create some concern.

Overall it is proposed that the scheme is a strategically important investment that should be perused, but that Clawback should be implemented to help SCR incentive the delivery of the scheme. The applicant and project partners has confirmed in writing that this is acceptable and should not unduly delay the project.

The information that follows is the previously provided evidence that was presented at the April IEB meeting.

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			
<p><i>Please provide a summary description of your scheme (approx. 300 words). Append any graphics.</i></p> <p><i>[Description to include a summary of scheme purpose, required investment, location, and direct and indirect benefits that will be delivered]</i></p> <p>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.</p> <p>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</p>			

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 of 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.

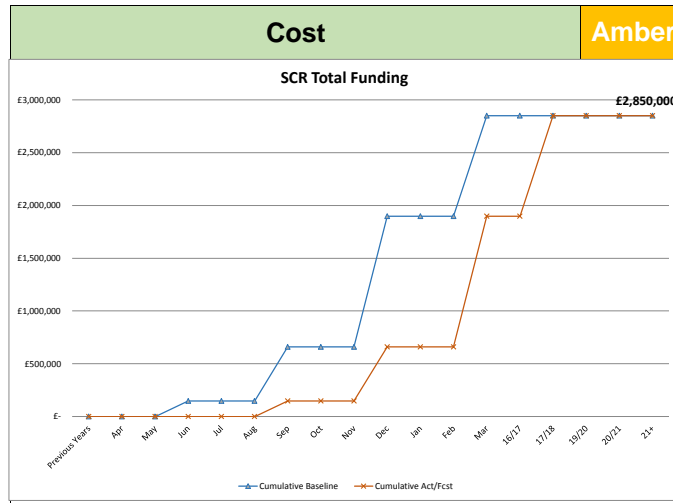
Project Dashboard (Infra)

Project Details	Name
	Peak Resort
Reporting Period	Q4 Jan 16 - Mar 16
% Complete	53%

Number	Promoter
0	Birchall Properties Ltd
Objectives	Current
	Last
Trend	0

SCR Office Use Only - Performance Team Assessment		Amber		
Sponsor	Manager			
Chesterfield Borough Council	Matthew Southgate			
Overall Project Status	Current	Amber	Trend	↓
	Last	Green		

Time	Red
Amber	Amber
LAST	CURRENT
	Trend
Milestone variation (combined days)	-92



Change Requests	
Combined Impact (£)	£0
% against total funding	0%

Issues	Red
0 1 2	
Escalate?	

Risks	Amber
1 4 0	
Escalate?	

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Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Infrastructure	Strategic Case	The strategic case for the overall project and the proposed SCRIF investment is comprehensively outlined in both the Stage 1A Outline Business Case and the masterplan 'Supporting Document' prepared by the developer's appointed masterplanning consultants, Spawforths.	Funding	LGF
Project Name	M1 Junction 37 –Economic Growth Corridor	Value for Money	At just over £3,000/gross job, this would represent very good value for money compared industry benchmarks. However, the full extent of public sector support needed to deliver these outputs needs to be further evidenced.	Approval Requested	Outline business case and progression to Full Business Case
Scheme Promoter	Barnsley Metropolitan Borough Council	Risk	The outcomes of the Local Plan Examination in Public and the potential for a challenge to the site allocation remains a risk to the delivery of the outputs along the proposed timescales. However, the submission of the Stage 1B is scheduled to follow the EiP in mid-2017 by which time the issues should be resolved. Development of WebTAG compliant modelling may impact on the programme for delivery.	Grant Award	£11.8m – subject to Full Business case
SCR Funding	£11.8m			Grant Recipient	Barnsley Metropolitan Borough Council
Total Scheme Cost	£293.6m	State Aid	To be confirmed during Full Business Case development	Payment Basis	In arrears on defrayals
% SCR allocation	4%	Delivery	BMBC has established appropriate project governance, project management and procurement processes which have been used on similar projects.	Claw Back Clauses	Yet to be determined at Full Business Case stage

Record of Approvals					
Appraisal Panel		Executive Board		CA	
Date of Meeting	24/05/2016	Date of Meeting	03/06/2016	Date of Meeting	20/06/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	SCR Officer Presenting Paper		SCR Officer Presenting Paper	
Signature	Melanie Dei Rossi	Signature		Signature	
Approving Officer	GARETH SUTTON FINANCE MGR	Approving Officer		Approving Officer	
Signature	G Sutton	Signature		Signature	
Date	24/05/16	Date		Date	

M1 Junction 37 Economic Growth Corridor Summary Appraisal Report

CIAT recommendation to Appraisal Panel

Barnsley Metropolitan Borough Council is seeking approval of the 1A Outline business case.

The overall project is significant at a City-Region-wide scale and has the potential to make a considerable contribution towards SCR housing and employment targets, with total capacity over a 15 year period estimated at 1,700 houses and more than 3,800 jobs.

Given the long-term nature of the proposed development, the SCRIF Stage 1A application has come at an early stage of the overall project development – with any proposed investment from SCR not anticipated until mid-2018 and the first associated economic outputs from mid-2019 at the earliest, with phased delivery over the following fifteen years.

The delivery of the overall project requires a considerable amount of pre-development work, not least the adoption of the proposed land allocation and Green Belt de-classification in the Barnsley Local Plan. This policy change has the support of the local authority, but the statutory plan making process remains a residual risk to the delivery timetables proposed, which may be subject to change before a Stage 1B Full Business Case is submitted in mid-2017.

The project is as well-advanced, with particularly encouraging support from both the local authority and the prospective private sector developers and a clearly outlined rationale for the use of SCRIF to improve the viability of the proposal.

At this stage, the project appears to offer reasonable value for the SCRIF investment, but the full extent of public sector intervention needed to unlock all the outputs is not yet known.

Significant further project progress will be required before the submission of a Stage 1B Full Business Case, including the preparation of an Appraisal Specification Report and WebTAG compliant transport modelling, securing assurances on the planning status of the site and further development of the commercial and delivery proposals for the new development.

Subject to the acknowledgement of these ongoing issues to be managed through the process, it is recommended that the project should proceed to ASR and Stage 1B Full Business Case.

The information that follows is the full assessment of the 1A outline business case by CIAT.

STRATEGIC CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

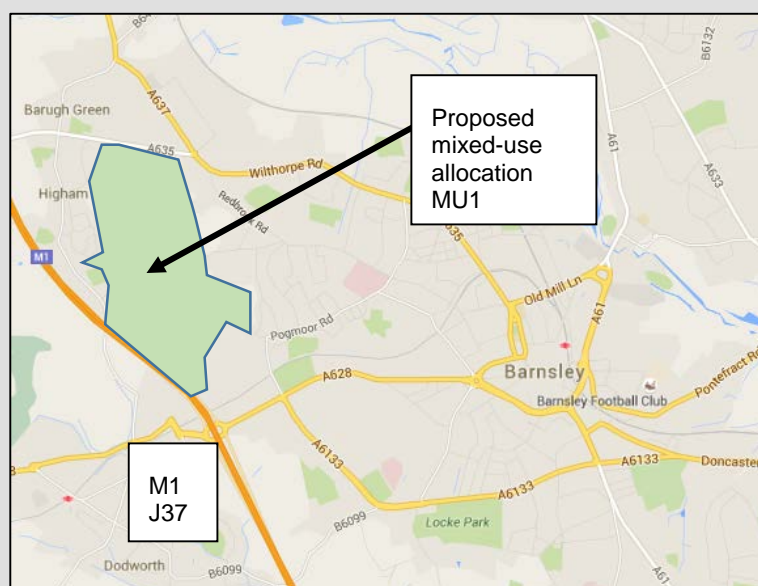
Does the scheme have a clear strategic rationale and align to SCR Growth Plan objectives?

Project description

The M1 Junction 37 Economic Growth Corridor in Barnsley (or 'Barnsley West') is a long-term proposal to develop a new mixed-use housing and employment area on a 122 hectare site around two miles to the east of Barnsley town centre, between the localities of Dodworth, Barugh Green and Higham.

The overall project is proposed to provide 1,700 new homes – of which at least 10% will be affordable – and approximately 127,000m² of commercial employment floorspace including offices (B1), retail units, industrial units and workshops (B2) and warehousing and distribution premises (B8).

The site is not currently allocated in local planning policy – but it is included in the Draft Barnsley Local Plan as a strategic location for mixed-use development under policy MU1, which will involve taking the site out of the existing Green Belt designation as proposed in Barnsley Council's 'Green Belt Review'. The Council has indicated that the target adoption date for the Plan and new development allocations is Summer 2017.



The site is being promoted by a consortium of private developers Strata Homes and Sterling Capitol. The land is currently in a number of private ownerships – although it is indicated that Strata Homes have agreed options to purchase on all land required.

Given the large scale of the site, the volume of proposed development and the proximity to the strategic road network at Junction 37 of the M1, the development of the site requires significant on-site infrastructure and access works – including the construction of the 2.7km Claycliffe Link Road as the north-south spine road – as well as off-site highways and other mitigation works.

The overall total development cost is currently estimated at £293.6m. Initial development viability assessments indicate that the site is not commercially deliverable on the basis of the costs of off-site highways mitigation and other planning obligations including S106 and school construction – and therefore SCRIF is essentially required to provide gap funding via early on and off-site highways works.

SCRIF requirement

Barnsley MBC is seeking £11.8m SCRIF investment to finance:

1. Off-site highways mitigation improvement works at key junctions and pinch-points in the vicinity (£8.3m – delivered 2018-20), currently understood to comprise:
 - Junction of Dodworth Road and Pogmoor Road – improvements to left turning configuration;
 - Capitol Park roundabout – upgrade;
 - Higham Lane and Higham Common Road – upgrade of road and capacity;
 - Barugh Green Road / Claycliffe Road Roundabout – improvements to increase size and capacity;
 - Barugh Lane / Claycliffe Road Roundabout – upgrade with traffic signals.

To be delivered alongside a Local Pinch Point Fund scheme at Junction 37 for signalisation to help reassign increased traffic flows.

2. On-site 'viability' works (£3.8m) – understood to be a contribution to the Claycliffe Link Road and/or other site infrastructure, with further detail to be worked up prior to Full Business Case stage.

Strategic case assessment

The strategic case for the overall project and the proposed SCRIF investment is comprehensively outlined in both the Stage 1A Outline Business Case and the masterplan 'Supporting Document' prepared by the developer's appointed masterplanning consultants, Spawforths.

The case to develop a new location for large-scale strategic housing and employment growth at Barnsley West appears to have strong support in local economic, housing and planning policy. The site has been included as mixed-use development site in the Draft Barnsley Local Plan (as policy MU1), with demonstrable Council support and Local Plan evidence making the case for removal from the Green Belt (Arup 'Green Belt Review' 2014).

The business case indicates that the developer is confident enough to submit an outline planning application at their own financial risk, prior to the adoption of the new Local Plan and re-designation. BMBC currently propose to submit the Stage 1B Full Business Case for SCRIF investment following the Examination in Public in 2017 – at which stage it will be known if the necessary policy change is achievable.

However, any challenge to the proposed allocation or delay to the process of adoption of the Local Plan presents a residual risk to the timing of the outputs indicated with the Stage 1A Outline Business Case and this will need to be monitored and scrutinised further at Stage 1B Full Business Case.

The scale of development over the long-term is likely to make a considerable contribution to addressing identified economic growth barriers in the Borough: (1) significant housing need and demand as outlined in the 2014 Housing Strategy; and (2) a wider economic deficit including a relatively low jobs density, highlighted in 2012 Economic Growth Strategy. The development is projected to meet 15% of Barnsley's Employment Land Requirement and contribute towards the target of 17,500 new jobs by 2033.

The business case outlines a number of potential ways the project could contribute to City Region objectives: most notably the creation of new homes and jobs; and the potential to attract inward investment to strategically well-connected employment sites. The scale of the overall proposed investment indicates that the development could have a City Region scale economic impact – with the capacity for over 3,800 gross jobs.

There is a clearly outlined rationale for SCRIF investment to bridge a development viability gap for the overall project. The business case indicates that commercial viability is considered to be compromised by abnormal on-site costs, planning obligations (£5.1m for a new school building), off-site mitigation works (£8.1m) and the 15% affordable housing requirement. This viability gap has been identified through an iterative process of scenario modelling, and is evidenced in a market viability study by Cushman and Wakefield. It is suggested that the up-front funding for infrastructure development will secure accelerated development and economic outputs in the first five years – given that the link road is required to secure any development on the masterplan site above 237 new housing units and 34,200m² of commercial floorspace.

The applicant has also begun to develop evidence of the additionality of the SCRIF investment. Although an options analysis is not required at Stage 1A, the evidence provided indicates that with the SCRIF investment the link road and off-site highways works could each be delivered in Year 2, as compared to Year 7 and Year 3 respectively without SCRIF.

COMMERCIAL CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Has market potential / demand been adequately assessed / evidenced in relation to GVA and job outcomes?

The delivery profile of the overall mixed-use development – with the proposed SCRIF infrastructure investment – shows a projected 487 new housing units and 1,488 gross jobs delivered in the first five years of development (Phase 1) (Spawforths 'Supporting Document'). Given that Barnsley West is a 20+ year proposition, it appears reasonable at this stage to only expect evidence of sufficient demand to support this first phase.

The business case and supporting documentation provide evidence in relation to the market potential of both the proposed commercial employment and residential developments.

Commercial development

The overall market case for commercial development on the site is based upon reasonable evidence of a shortage of supply of available employment development land and commercial premises in Barnsley, coupled with an identified trend of increased demand for B2 and B8 premises – as outlined in the Council prepared property market analysis which has been provided ('Additional Employment Demand Information'). The supply availability of B2 and B8 commercial property is shown in the Council's figures to be following a declining trend, whilst the enquiry level reported for 2015/16 is the highest in the last 8 years. A table of current enquiries has also been provided.

The business case identifies additional evidence of local demand for new commercial property from the quick take-up of speculative commercial properties at Shortwood Business Park (M1 J36).

A commercial market report has also been provided (prepared by CPP for BMBC) which outlines headline evidence of similar demand and supply trends at a regional level – albeit based on data which is now a number of years old.

At Stage 1B further evidence should be provided of the commercial propositions for employment development and an updated assessment of local market demand to give assurances that there is sufficient market demand to secure the development/occupation of the Barnsley M1 J37 Economic Growth Corridor alongside a range of alternative B2/B8 employment growth locations which are already identified within the City Region (e.g. Junctions 33 and 34 M1: Sheffield Rotherham; Junction 36 M1 Dearne Valley Corridor; M18 Corridor; Robin Hood Airport).

Residential development

There is reasonably strong evidence of a shortage of supply of available housing land in Barnsley. The business case references the 2014 Strategic Housing Market Assessment (SHMA) which identifies a shortfall in all types of residential property across the Borough, including an undersupply of 44 affordable homes per annum in the locality of Barnsley West (Darton & Barugh Green submarket). The Council's Draft Local Plan targets an additional 20,300 new homes over the period 2014-33 which will require the accelerated delivery of an additional 300 homes per year (+25% p/a on current rates). The Council has also indicated that it has not fulfilled its requirement to identify a five-year supply of deliverable housing sites in recent years (Spawforths 'Supporting Document').

In terms of market demand for housing, the business case states that '*evidence from local developers, landowners and agents identifies that there is strong demand for a wide range of new homes*'. A letter of support has been provided from Strata Homes – the proposed developer. At Stage 1B Full Business Case, it would be expected that further detailed evidence of housing market demand would be provided to support the commercial case for the proposed accelerated build-out rates and delivery trajectory that will be enabled by the SCRIF investment (e.g. take-up numbers over the last 5 years).

How robust is the evidence that the private sector will respond to the opportunity?

The business case demonstrates that the level of private sector commitment to 'Barnsley West' is as strong as could be reasonably expected at this stage of the development of a long-term development project – indicating that Strata Homes has formed a consortium arrangement with Sterling Capitol to deliver the residential and employment elements. Letters of support have been provided from Strata Homes (Strategic Land Director) and Sterling Capitol (Director) outlining their commitments to delivery.

The site is currently divided across seven individual land holdings. The business case states that options to purchase have been agreed by Strata Homes with all landowners, and letters of support have been provided from six landowners indicating that commercial agreements are in progress.

The developers demonstrate a good level of commitment to the project. They indicate in letters of support that they have already invested £0.5m in promoting the site and proposed development, for example appointing masterplanning and property consultants to prepare initial design work, planning and viability assessments. The developers propose to prepare a planning application at their own financial risk prior to the Examination in Public of the Draft Local Plan in 2017, with a submission proposed prior to Local Plan adoption subject to a positive outcome from the EiP on the land allocation. The business case also states that both private sector development partners have board approvals to develop and deliver the project.

It is not clear at this stage if Strata Homes propose to deliver all of the housing phases themselves, or if plots of land will be subsequently sold on to other housebuilders. This should be detailed and clarified at Stage 1B Full Business Case as it will affect likely build out rates.

ECONOMIC CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Does the scheme appear to offer reasonable value for money in gross terms (making reference to benchmarks)?

Gross economic outputs

The proposed gross economic outputs from the project are as follows, to be delivered over 15 years from project start assuming the SCRIF investment is made:

1. 125,698m² of commercial floorspace:
 - B1 Office: 11,646m²;
 - B2 Industrial: 74,518m²;
 - B8 Warehouse: 28,661m²;
 - A1 Retail: 11,055m²;
2. 1,700 housing units;
3. 3,859 gross jobs.

Current estimates of deliverable commercial floorspace have been based on a 40% plot ratio of the gross area of proposed employment plots and use classes as identified in the draft Barnsley Development Sites and Places DPD.

Overall housing capacity has been identified from draft Local Plan consultation documents (2014 and 2015).

Gross jobs estimates are based on employment density ratios taken from the Experian Regional Econometric Model (REM) – a commonly used source of Local Plan economic evidence.

Value for money – cost per gross job

Cost per gross job is the primary value for money indicator used for the initial Stage 1A Outline Business Case.

➤ SCRIF Investment: £11.808m

- Gross jobs: 3,859
- SCRIF cost per gross job: £3,060

At just over £3,000/gross job, this would appear to represent very good value for money compared to the PWC/BERR (2009) assessment of RDA investment activity which estimated the cost per gross job of regeneration infrastructure interventions was £26,667.

However, this analysis would suggest that the full extent of public sector support needed to deliver these outputs may not yet be known. Indeed, the business case states that public sector match funding will be '*ongoing through the project delivery*'. The funding package for the overall project – estimated at £294m – has yet to be outlined, and therefore the value for money assessment does not account for any additional public sector intervention which will be needed over the next 15 years.

Value for money – transport impacts

It is understood from the business case that BMBC have agreed to complete an ASR and detailed transport value for money assessment following the completion of the Stage 1A process, prior to the proposed submission of the Stage 1B Full Business Case in mid-2017. The potential BCR of the transport benefits has not been assessed at this stage, but an initial review of design and modelling work conducted by BMBC's consultants AECOM is provided in an appended note.

Note on net additionality

The business case has provided a calculation of net additional employment and Gross Value Added - although this is not usually required at Stage 1A Outline Business Case. These net additional economic benefits have been calculated using the REM, applying appropriate additionality adjustments in line with national government guidance (BIS, 2009):

- Net additional employment: 3,510 jobs
- Net additional GVA (SCR): £1.28bn by 2032 (cumulative).

It is noted that these calculations have applied a ready reckoner deadweight discount of 10.3%. However, under the 'No SCRIF' reference case outlined in the Spawforths 'Supporting Document' the project is projected to support 3,340 gross jobs by 2033 – i.e. suggesting that deadweight would effectively amount to 87%, and therefore a net additional jobs position of around just 500 jobs..

At Stage 1B it would be expected that a time-profiled assessment of jobs and GVA will be used to demonstrate the 'economic accelerator' effect of the SCRIF investment such that outputs can be presented in time series, e.g. (X jobs by 2025 under the with / without SCRIF scenarios). Overall, it is also possible however, that the total net additional outputs could be much reduced from those presented in this initial analysis.

MANAGEMENT CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

How 'delivery ready' is the scheme and what scope is there for significant delays were funding to be approved?

The business case outlines a timetable for project development and completion of statutory processes between this Stage 1A submission and a proposed Stage 3 SCRIF grant completion in April 2018.

The developer is proposing to prepare a hybrid planning application in early 2017 comprising detailed planning for the link road and phase 1 of development, and an outline application for the remainder of the site. This work will be undertaken prior to the proposed Examination in Public of the Local Plan and de-classification of site MU1 from the Green Belt in summer 2017.

Subject to the successful completion of these steps, the applicant is proposing to tender for contractors to complete the SCRIF-funded highways works in mid-2018. Following these works, the first new homes and employment floorspace could be complete on site by mid-2019, with phased delivery over 15 years, according to the delivery profile outlined in Spawforths 'Supporting Document'.

The outcomes of the EiP and the potential for a challenge to the site allocation remains an obvious risk to the delivery of the outputs along the proposed timescales. However, the submission of the Stage 1B is scheduled to follow the EiP in mid-2017 by which time the issues should be resolved. Clearly, any delay to the Local Plan process will have a knock-on effect on the delivery timescales of the SCRIF-funded infrastructure project.

The business case indicates that the Barnsley Transport Model will be used to model the potential transport-related impacts of the SCRIF-funded scheme. BMBC indicate that the time required to complete the transport assessment would be between 4 and 7 months dependent upon the level of data collection required, which would be in line with the timetable for the Local Plan and Stage 1B Full Business Case. Further analysis is provided in an appended note.

The business case indicates that Barnsley MBC propose to use a 'well-developed and experienced team and project management process' for the delivery of the SCRIF-funded works. Details of project governance roles and responsibilities under the Council's Business Parks Programme Management Board have been provided.

On the basis of the information required at Stage 1A it is not possible to provide any assessment of the delivery of the overall Barnsley West housing and commercial development following on from the SCRIF-funded infrastructure. However, it would be expected that at Stage 1B further details will be provided on the financial and delivery proposition for the residential and commercial developments, upon which the SCRIF outputs will be dependent.

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)

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

Barnsley MBC is seeking £11.808m of SCRIF for onsite infrastructure and off-site highways mitigation works to enable the development of a new mixed-use housing and employment area on a 122 hectare site around two miles to the east of Barnsley town centre – scheduled to provide 1,700 new homes and approximately 127,000m² of commercial employment floorspace by 2033.

The case to develop a new location for large-scale strategic housing and employment growth at Barnsley West appears to have strong support in local economic, housing and planning policy. The site is not yet allocated for development and is currently designated as Green Belt. However, the site is proposed as mixed-use allocation in the draft Local Plan, scheduled for Examination in Public in early-mid-2017 and, (assuming no delays to the time-table), adoption during Summer 2017.

The scale of development over the long-term is likely to make a real contribution to addressing identified economic growth barriers in the Borough – housing need and a general economic deficit – as well as offering economic outputs capable of making a City Region scale impact. If delivered as proposed, the development has the potential to make a significant contribution towards City Region employment and housing targets.

Please summarise your assessment of the scheme's market potential in relation to the delivery of jobs and GVA outcomes, and set out any recommendations

Private sector commitment to Barnsley West appears to be as strong as could be reasonably expected at this stage of the development of a long-term project. Strata Homes has formed a consortium arrangement with Sterling Capitol to deliver the residential and employment elements, and the partners have agreed land purchase options and are willing to prepare a planning application at risk prior to the adoption of the Local Plan.

The overall market case for commercial development on the site is based upon reasonable evidence of a shortage of supply of available development land and commercial premises in Barnsley, coupled with an identified trend of increased demand for B2 and B8 premises. Evidence of a shortage of supply of housing land and available housing in Barnsley is also reasonably strong, although no evidence from housing market demand assessments has been provided at this stage.

At Stage 1B further evidence of the commercial propositions for employment development and an updated assessment of local market demand are likely to be required to provide assurances that there is sufficient

market demand to secure the development/occupation of the Barnsley M1 J37 Economic Growth Corridor. This will need to take into account a range of alternative B2/B8 employment growth locations which are already identified in the City Region (e.g. Junctions 33 and 34 M1: Sheffield Rotherham; Junction 36 M1 Dearne Valley Corridor; M18 Corridor; Robin Hood Airport). In addition, it would also be expected that further detailed evidence of housing market demand would be provided to support the commercial case for the proposed accelerated build-out rates and delivery trajectory to be enabled by the SCRIF investment.

Please summarise your assessment of the scheme's value for money and set out any recommendations

The proposed gross economic outputs from the project are as follows, delivered over 15 years from project start assuming the SCRIF investment is made:

1. 125,698m² of commercial floorspace
2. 1,700 housing units
3. 3,859 gross jobs.

On the basis of these gross outputs, the SCRIF cost per gross job of £3,060 would appear to represent very good value for money compared to the PWC/BERR (2009) assessment of RDA investment activity which estimated the cost per gross job of regeneration infrastructure interventions as £26,667.

However, the full level of public sector intervention required to unlock all of the proposed outputs is not yet known, with the business case indicating that further public sector match funding proposals may be developed as the project progresses.

The applicant has also made an initial assessment of the net additional outputs of the SCRIF investment. At Stage 1B it would be expected that a time-profiled assessment of jobs and GVA, modelling against the Reference Case (i.e. No SCRIF investment) will be used to demonstrate the 'economic accelerator' effect of the SCRIF investment, which is likely to be give net additional outputs considerably lower than those presented in this initial analysis, which will clearly impact the value for money cost per job position.

Please summarise your assessment of the scheme's deliverability (in terms of the risks to scheme commencement) and set out any recommendations

The business case outlines a timetable for project development and completion of statutory processes between this Stage 1A submission and a proposed Stage 3 SCRIF grant completion in April 2018. The proposal is to prepare a hybrid planning application in early 2017 comprising detailed planning for the link road and phase 1 of the development, and an outline application for the remainder of the site. This work will be undertaken prior to the proposed Examination in Public of the Local Plan and de-classification of site MU1 from the Green Belt projected during summer 2017.

The outcomes of the EiP and the potential for a challenge to the site allocation remains an obvious risk to the delivery of the outputs along the proposed timescales. However, the submission of the Stage 1B is scheduled to follow the EiP in mid-2017 by which time the issues should be resolved. Clearly, any delay to the plan making process will have a knock-on effect on the delivery timescales of the SCRIF-funded infrastructure project. For the SCRIF process there will clearly be more than a year needed for the applicant to be able to move from Stage 1A to Stage 1B.

It appears that BMBC has established appropriate project governance, project management and procurement processes which have been used on similar projects.

On the basis of the information required at Stage 1A, it is not possible to provide any assessment of the delivery of the overall Barnsley West housing and commercial development following on from the SCRIF-funded infrastructure. However, it would be expected that at Stage 1B, further details will be provided on the financial and delivery proposition for the residential and commercial developments, upon which the SCRIF outputs will be dependent.

Summarise your overall assessment of the scheme and recommendations for SCR

This SCRIF investment is required to enable the development of a large-scale and long-term mixed-use development project at Barnsley West (J37 M1 Economic Growth Corridor). The overall project is significant at a City-Region-wide scale and has the potential to make a considerable contribution towards SCR housing and employment targets, with total capacity over a 15 year period estimated at 1,700 houses and more than 3,800 jobs.

Given the long-term nature of the proposed development, the SCRIF Stage 1A application has come at an early stage of the overall project development – with any proposed investment from SCR not anticipated until mid-2018 and the first associated economic outputs from mid-2019 at the earliest, with phased delivery over the following fifteen years.

The delivery of the overall project requires a considerable amount of pre-development work, not least the adoption of the proposed land allocation and Green Belt de-classification in the Barnsley Local Plan. This policy change has the support of the local authority, but the statutory plan making process remains a residual risk to the delivery timetables proposed, which may be subject to change before a Stage 1B Full Business Case is submitted in mid-2017.

It is not highlighted within the Stage 1A business case submission, but it is likely that any indicative financial approval from SCRIF that the applicant/local authority could point to from Sheffield City Region would be used to support the delivery argument around the planning application process and also possibly the case for releasing the site from the Green Belt at the Examination in Public.

However, overall the project is as well-advanced as might be expected at this stage, with particularly encouraging support from both the local authority and the prospective private sector developers and a clearly outlined rationale for the use of SCRIF to improve the viability of the proposal.

At this stage, the project appears to offer reasonable value for the SCRIF investment, but the full extent of public sector intervention needed to unlock all the outputs is not yet known.

As the application suggests, significant further project progress will be required before the submission of a Stage 1B Full Business Case, including the preparation of an Appraisal Specification Report and WebTAG compliant transport modelling, securing assurances on the planning status of the site and further development of the commercial and delivery proposals for the new development.

Subject to the acknowledgement of these ongoing issues to be managed through the process, it is recommended that the project should proceed to ASR and Stage 1B Full Business Case.

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 2016

SCHEME REFINEMENT

- ☐ The paper sets out proposed changes for the Sheffield City Centre scheme included in the existing SCRIF programme.
- ☐ The scheme refinements were presented at the April Infrastructure Executive Board (IEB). The Board requested a presentation on the scheme to provide the IEB with more information to explain the changes.

The request to fund the £175k loss of ERDF funding was declined at the last meeting as the Board agreed this should be borne by the scheme promoter
- ☐ This paper presents the proposed Sheffield City Centre refinements. IEB is asked to consider and agree the proposed changes to the scheme.

1. Issue

- 1.1. This paper reports the outcome of the call for scheme refinement with regard to the Sheffield City Centre proposals and sets out the next steps.

2. Recommendations

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

3. Background Information

Background

- 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 economic impact and deliverability.

- 3.2. Responses to the call included a proposal from Sheffield City Council.
- 3.3. The Sheffield City Centre scheme is a multi-stage investment that included six distinct, but complementary projects within the approved Outline Business Case of which four are focused on key development areas namely

- ☐ Riverside Business District
- ☐ Knowledge Gateway (including Hallam University Campus and Cultural Industries Quarter)
- ☐ University of Sheffield Campus
- ☐ Central Retail and Business District

The other two projects comprised transport and access improvements to the Inner Ring Rd (Brookhill-Bridgehouses) and Pedestrian-cycle routes serving areas of increased investment and employment.

- 3.3 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 projects which are Riverside BD - Grey to Green phase 1 (completed) and University Campus (on site).

The proposed refinements to the overall scheme will:

- a) Concentrate investment in the Castlegate area as the focus for the Riverside Business District, the largest cluster of office and employment development sites in the City Centre. With demolition of the Castle Markets, completion of Grey to Green 1 and increasing development interest for office and tech industry uses strategic importance of the area has become clearer and the opportunities for investment more immediate and deliverable than in the Moorfoot area of the Central Retail zone. In particular opportunities for partnership and match funding have arisen to progress phase 2 of the Grey to Green project including reclamation of the Castle Market site as a centerpiece of the regenerated quarter and the proposed development of a tech industry Maker Hub in Castle House. The City Council therefore seeks to reallocate funding of £2.855m from Central Retail 1 (Moorfoot) to Grey to Green 2.

Work to date demonstrates that this will deliver at least the same or greater benefits in terms of jobs, floorspace and GVA. The Grey to Green phase 2 project is forecast by to deliver 18,400 sqm commercial space directly unlocked and a further 50,500 sqm commercial office space enabled in total supporting 2,166 jobs. The proposed use of the Moorfoot sites originally included in the programme are now likely to be brought forward for mainly housing use.

- b) Investment in pedestrian-cycle routes is proposed to be incorporated into the Knowledge Gateway and Central Retail and Business District projects. This does not affect the anticipated overall benefits; it simply embeds the original transport objectives better in the projects that will deliver the benefits. A Full Business Case for Knowledge Gateway has been submitted and is forecast to create the conditions for 68,000 sqm of new office and research floorspace supporting 4,519 new jobs.
- c) Central Retail and Business District 2 will as before comprise enabling works for major investment in new office, retail and mixed use development in the Furnival Gate, Barkers Pool, Pinstone St area including improved access for sustainable

transport. No change is expected to anticipated benefits, activity updated to reflect current progress and phasing of the project.

3.4 The total SCRIF requirement remains the same whilst outcomes are increased and more certain.

3.5 Achieving the planned spend profile is of particular importance in ensuring SCR can meet Government set targets and deadlines and this change will increase the certainty of spend to profile but will require rapid progression of scheme development.

Recommendations

3.4. The following are recommended:

- ☐ The above revision is approved subject to the, scheme promoter providing a revised delivery and spend profile
- ☐ Full business case approval will need to be submitted to demonstrate that the new schemes continue to meet the five case of Green Book appraisal and are value for money.

4. Implications

i. Financial

There is no impact on the overall allocations in the capital programme. Sheffield City Centre's overall allocation of £17.7m would remain.

ii. Legal

A revised Value for Money assessment and an updated funding agreement is required

iii. Diversity

None

iv. Equality

None

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 2016

SCRIF QUARTER 4 UPDATES

- ☐ The paper sets out high level findings from the Sheffield City Region Investment Fund (SCRIF) quarter 4 updates. The updates are based on a revised approach which provides a good overview of the programme.
- ☐ There has been a considerable change from Q3 to Q4 and the final outturn position at year end was significantly under the 15/16 approved SCRIF budget (£8.9M), with a variance of £5.3m from the figures projected at Q3 which were returned in February 2016.
- ☐ The cumulative spend to the end of 16/17 has also reduced by £3m with increases in spend in the latter years of the programme.
- ☐ Key updates are provided in the report on a project by project basis.
- ☐ SCR will continue to work with partners between cycles to maximize project delivery present recommendations of how to proceed and potential corrective action at the next meeting.

1. Issue

- 1.1. This paper reports the key findings of the SCRIF quarter 4 updates provided by scheme promoters.

1.2. Recommendations

- 1.3. To note the headline results of the quarter 4 updates

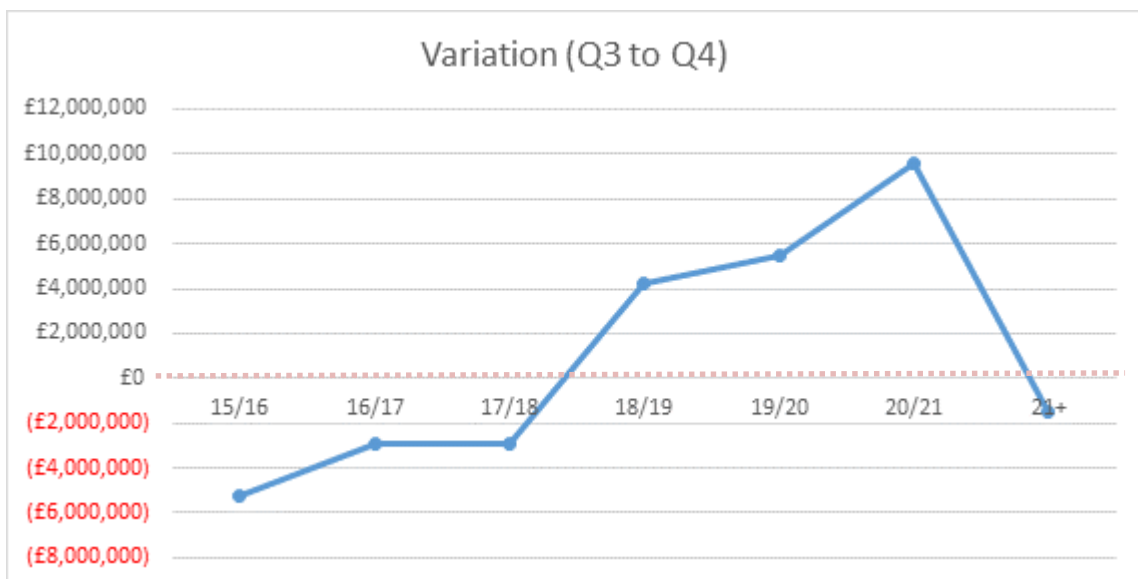
2. Background Information

Background

- 2.1. Scheme promoters have completed the updated SCRIF reporting forms following the call for feedback. It is intended that this process will continue to help improve overall delivery based on the data received.
- 2.2. This information is valuable and key to informing programme-wide decisions and understanding the corrective actions that may be required. The Q4 returns now allow for easier cross project interpretation.
- 2.3. Future calls for quarterly reports will be issued proactively prior to the end of each period. This is necessary to allow performance information to be reported to the Combined Authority alongside outturn financial reports. SCR will issue a call for 16/17 Q1 returns towards the end of June.

Overview of Reports

- 2.4. There has been a considerable change from Q3 to Q4 and the final outturn position at year end was significantly under the 15/16 approved SCRIF budget (£8.9M), with a variance of £5.3m from the figures projected at Q3 which were returned less than 3 months ago, in February 2016.
- 2.5. The cumulative spend to the end of 16/17 has also reduced by £3m with increases in spend in the latter years of the programme. The graph below indicates the change.



- 2.6. This comes at a time when the Combined Authority (CA) is under pressure to ensure that spend meets the agreed profile and that SCR can prove that we are delivering. To achieve this we need to ensure that schemes are progressing through the appraisal framework and spending to profile (or quicker where possible). We therefore need to ensure that the 15/16 spend profile is fully delivered by Q1 in 16/17.

Project by Project

- 2.7. The projects reviewed below are those with profiled spend in 15/16 and early 16/17, not all projects in the programme. Appendix A details the current SCR funding profile based on the Q4 returns. We need to adhere to or where possible improve on

the profiles submitted. Scheme promoters are asked to consider where funding can be spent earlier, within the agreed funding allocation.

1. **Grey to Green Phase 1:** This project **completed** in 15/16 and has claimed the full value of the available funds (ex-retentions).
2. **Seymour Link Road:** This project **completed** in 15/16 and is in the process of claiming the full value of the available funds.
3. **University of Sheffield (Phase 1):** Works **commenced** in 15/16 and the first claim was made in 15/16. The current profile indicates the full project value will be claimed in Q1.
4. **Superfast South Yorkshire:** Works **commenced** in 15/16 and the first claim was made in 15/16 at a higher rate than originally envisaged – There may be opportunity to similarly increase the Q1 claim.
5. **SCR JESSICA Fund:** Transfer was **accounted for** as part of the 15/16 payments and helped improve the spend profile considerably.
6. **M1 Junction 36: Funding agreement signed** in 15/16 and grant claim planned for 15/16 (and any additional eligible spend) needs to be claimed in Q1. A bid has been place by the promoter and Highways England to deliver an additional project over and above that currently released through SCRIF.
7. **Chesterfield Waterside: Full approval granted** in 15/16 and the funding agreement needs to be concluded as soon as possible to ensure grant claimed can be processed expediently.
8. **Worksop and Vesuvius: Full Approval granted** at the May CA and the funding agreement needs to completed during Q1 to ensure grant claimed can be processed as soon as possible.
9. **Bus Rapid Transit North: Full Approval granted** at the May CA and the funding agreement needs to completed during Q1 to ensure grant claimed can be processed within Q1.
10. **Olympic Legacy Park:** Full Approval is likely to be agreed between the May and June CA meetings hence the funding agreement needs to completed during Q1 to ensure grant claimed can be processed within Q1.
11. **Peak Resort:** Project has been resubmitted for appraisal and will be represented to June IEB seeking Full Approval and award of contract – If approved the funding agreement needs to be concluded as soon as possible to ensure grant claimed can be processed.
12. **FARRRS:** Profile indicates first claim in November 2016 - to achieve this, the promoter will be seeking Full Approval and award of contract in September.
13. **Doncaster Urban Centre / Colonnades:** Profile indicates first claim in September 2016. To achieve this, the latest opportunity for Full Approval and award of contract is the early August 2016 CA (July IEB). **Full Business Case (FBC) granted** at January 2016 CA hence the project now needs to complete the recommendations made at FBC before the Full Approval, works should commence to begin to draft the funding agreement.
14. **Clay Wheels lane:** Profile indicates first claim in October 2016 – to achieve this, the latest opportunity for Full Approval and award of contract is September 2016 CA. Appraisal

activity in Q1 indicates the FBC will be submitted for appraisal in Q1 which should provide ample time for appraisal to be completed.

15. **Doncaster Urban Centre / Civic and Cultural Quarter:** Profile indicates the first claim in December 2016. **FBC granted** at February 2016 CA hence the project now needs to complete the recommendations made at FBC before the Full Approval. Profile indicates this will be at the August CA
16. **Harworth and Bircotes:** Profile indicates first claim in October 2016. To achieve this, the latest opportunity for Full Approval and award of contract is the September 2016 CA, FBC is planned to be submitted in May 2016 which allows sufficient time for appraisal to meet the planned deadlines.

Next Steps

16.1. The following are proposed as the next steps for the IEB.

- ☐ SCR have some immediate questions on some of the forms received. The SCR team will be in touch with the respective promoters to clarify and feed into SCR funder returns. We have been asked to ensure that the planned start on date for all projects is included this cycle.
- ☐ SCR will work with partners between cycles to (a) clarify and gather any missing detail from the reports, and (b) consider any corrective action that may be required.
- ☐ SCR will continue to report project progress in this way to the IEB. Clarification is sought from IEB regarding any items to be included in the future reporting format.

3. Implications

i. Financial

The £39.8m of capital grant awarded to the region under the first growth deal in April 2015 must be defrayed by the end of July 2016 to avoid issues around claw back.

A number of lesson-learnt exercises have been conducted by the region in collaboration with partners which will help to affect spend in 2016/17.

However, it is essential that robust and realistic forecasting be presented by partners to allow for effective mitigations to be put in place by the region in advance of the July deadline.

Proposals will be taken to the Leaders meeting in June to consider performance and mitigations.

ii. Legal

iii. Diversity None

iv. Equality None

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Promoter	Project	15/16	16/17	17/18	18/19	19/20	20/21	21+	Total	Max Allocations	Programme Group	Variation
SCC	Central Business District/Moor/NRQ	£ -	£ 250,000	£ 3,814,000	£ 1,129,000	£ 128,491	£ -	£ -	£ 5,321,491	£ 17,656,413	Sheffield City Centre	£ 236,078
SCC	Brookhill and IRR Junctions	£ -	£ -	£ 1,150,000	£ 2,250,000	£ -	£ -	£ -	£ 3,400,000			
SCC	Knowledge Gateway	£ -	£ -	£ 3,815,000	£ -	£ -	£ -	£ -	£ 3,815,000			
SCC	University of Sheffield Campus - Phase 1	£ 669,164	£ 2,222,836	£ -	£ -	£ -	£ -	£ -	£ 2,892,000			
SCC	Grey to Green Phase 1 - Sheffield Riverside Business District	£ 2,333,768	£ 47,714	£ 56,415	£ 17,402	£ 8,701	£ -	£ -	£ 2,464,000			
SCC	Olympic Legacy Park Park Infrastructure Works	£ -	£ 4,899,000	£ -	£ -	£ -	£ -	£ -	£ 4,899,000	£ 4,888,398		£ 10,602
SCC	CLAYWHEELS LA SUSTAINABLE INDUSTRIES PARK	£ -	£ 166,155	£ 2,186,509	£ 195,750	£ 1,603,650	£ 636,710	£ -	£ 4,788,774	£ 15,603,000	Upper Don Valley	£ 161,380
SCC	Upper Don Valley Flood Alleviation Scheme	£ -	£ -	£ 300,000	£ 3,700,000	£ -	£ -	£ -	£ 4,000,000			
SCC	Parkwood Springs	£ -	£ -	£ 3,757,000	£ 3,218,606	£ -	£ -	£ -	£ 6,975,606			
South Yorkshire	Superfast South Yorkshire	£ 1,125,956	£ 4,009,417	£ 3,490,583	£ 2,400,000	£ -	£ -	£ -	£ 11,025,956	£ 10,614,570		£ 411,386
SYPT	BRT(N)	£ -	£ 4,015,087	£ -	£ -	£ -	£ -	£ -	£ 4,015,087	£ 4,015,087		£ -
South Yorkshire	SCR JESSICA Loan	£ 10,000,000	£ -	£ -	£ -	-£ 10,000,000	£ -	£ -	£ -	£ -		£ -
DMBC	A630 Westmoor Link Dualling	£ -	£ -	£ -	£ 300,000	£ 8,950,000	£ -	£ -	£ 9,250,000	£ 9,250,000		£ -
DMBC	Doncaster Urban Centre - The Civic & Cultural Quarter (CCQ)	£ -	£ 635,000	£ -	£ -	£ -	£ -	£ -	£ 635,000	£ 43,425,000	Doncaster Urban Centre	£ 720,000
DMBC	Doncaster Urban Centre - Colonnades	£ -	£ 2,280,000	£ -	£ -	£ -	£ -	£ -	£ 2,280,000			
DMBC	DN7 Unity - Hatfield Link Road	£ -	£ 1,875,000	£ 7,670,000	£ 3,000,000	-£ 1,390,000	£ -	£ -	£ 11,155,000			
DMBC	Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	£ -	£ 7,100,000	£ 2,000,000	£ -	£ -	£ -	£ -	£ 9,100,000			
DMBC	Doncaster Urban Centre - Lakeside Power	£ -	£ 638,000	£ 637,000	£ -	£ -	£ -	£ -	£ 1,275,000			
DMBC	Doncaster Urban Centre - Markets	£ -	£ 1,500,000	£ 500,000	£ -	£ -	£ -	£ -	£ 2,000,000			
DMBC	Doncaster Urban Centre - Quality Streets	£ -	£ -	£ 1,250,000	£ 100,000	£ -	£ -	£ -	£ 1,350,000			
DMBC	Doncaster Urban Centre - St Sepulchre West / Station Forecourt	£ -	£ 2,100,000	£ 2,200,000	£ 2,900,000	£ 900,000	£ -	£ -	£ 8,100,000			
DMBC	Doncaster Urban Centre - Waterfront	£ -	£ 750,000	£ 3,600,000	£ 3,900,000	£ -	£ -	£ -	£ 8,250,000			
CBC	Chesterfield Waterside	£ -	£ 2,700,000	£ -	£ -	£ -	£ -	£ -	£ 2,700,000	£ 2,700,000		£ -
CBC	Northern Gateway	£ -	£ 86,828	£ 3,649,877	£ 1,783,675	£ 310,000	£ -	£ -	£ 5,830,380	£ 8,600,000		-£ 2,769,620
CBC	Peak Resort	£ -	£ 1,898,000	£ 952,000	£ -	£ -	£ -	£ -	£ 2,850,000	£ 2,850,000		£ -
BDC	Harworth and Bircotes Step Change Programme Road Improvements	£ -	£ 455,000	£ 495,000	£ -	£ -	£ -	£ -	£ 950,000	£ 950,000		£ -
BDC	Worksop site delivery and Vesuvius scheme	£ -	£ 500,000	£ -	£ -	£ -	£ -	£ -	£ 500,000	£ 500,000		£ -
BDC	Worksop Phase 2	£ -	£ -	£ 185,000	£ 730,000	£ 357,500	£ -	£ 1,125,000	£ 2,397,500	£ 2,397,500		£ -
DCC	Seymour Link Road	£ 3,780,000	£ -	£ -	£ -	£ -	£ -	£ -	£ 3,780,000	£ 3,780,000		£ -
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 1 Hoyland)	£ -	£ 9,661,750	£ 50,000	£ 727,500	£ 4,076,858	£ 1,191,967	£ -	£ 15,708,075	£ 17,101,075		-£ 1,393,000
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 2 Goldthorpe)	£ -	£ 146,000	£ 163,000	£ -	£ 3,000,000	£ 4,015,000	£ -	£ 7,324,000	£ 7,324,000		£ -
BMBC	M1 Junction 37 – Economic Growth Corridor (Claycliffe)	£ -	£ -	£ 32,800	£ 4,494,569	£ 7,280,631	£ -	£ -	£ 11,808,000	£ 11,808,000		£ -
RMBC	Waverley Lower Don Valley A630	£ -	£ -	£ -	£ -	£ 15,012,000	£ 18,949,000	£ 8,268,000	£ 42,229,000	£ 51,060,000	Waverley Lower Don	-£ 31,000
RMBC	Waverley Lower Don Valley Link Road	£ -	£ -	£ -	£ 1,100,000	£ 5,700,000	£ 2,000,000	£ -	£ 8,800,000			
£ -	Total Q4 Update	£ 17,908,888	£ 47,935,786	£ 41,954,184	£ 31,946,502	£ 35,937,831	£ 26,792,677	£ 9,393,000	£ 211,868,868			
	Q4 Cumulative	£ 17,908,888	£ 65,844,674	£ 107,798,858	£ 139,745,361	£ 175,683,191	£ 202,475,868	£ 211,868,868	£ 211,868,868			
£ -	Total Q3 update	£ 23,176,570	£ 45,623,664	£ 41,909,232	£ 24,788,218	£ 34,744,955	£ 22,655,967	£ 20,481,030	£ 213,379,636			
	Q3 Cumulative	£ 23,176,570	£ 68,800,234	£ 110,709,466	£ 135,497,684	£ 170,242,639	£ 192,898,606	£ 213,379,636	£ 213,379,636			
	Variation (Q3 to Q4)	-£ 5,267,682	-£ 2,955,560	-£ 2,910,608	£ 4,247,677	£ 5,440,552	£ 9,577,262	-£ 1,510,768	-£ 1,510,768			
	NB. Max available funding is £211,000,000											

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 2016

LOCAL GROWTH FUND 3 PROCESS AND TIMESCALES

Summary

- This paper presents a summary of the process, internal timescales and next steps for the next round of Local Growth Fund 3 (LGF 3).
- The Fund is worth £1.8bn and will be primarily phased from 2018 onwards. The deadline for Government to receive submissions is 21 of July 2016.
- The Infrastructure Executive Board (IEB) is being asked to discuss and endorse the proposed approach to the Fund as set out in para 3.7.

1. Issue

- 1.1. Government has launched the next round of proposals for Growth Deal funding, with submissions required by the summer recess (21 July 2016). These will be assessed by government on a competitive basis. As an area establishing a Mayoral Combined Authority, the SCR is able to **submit a programme level**, rather than a project based bid. On this basis, and as the funding bid is primarily available from 2018 onwards, the City Region is proposing to formulate its bid to top-up funding for key existing programmes such as SCRIF and skills capital. This will be focused on securing additional funds for priorities from the Area Based Review and the SCR Integrated Infrastructure Plan.
- 1.2. This paper describes the proposed arrangements and a set of next steps to progress the work required to take this forward.

2. Recommendations

- 2.1. To note the proposed programme level approach as agreed by the Combined Authority (CA) and LEP on 9 May 2016 to the development of the City Region's LGF bid, to act as a 'top-up' to the SCR's existing Growth Deal programmes which delivers priorities identified through the LEP prioritisation workshop, the Integrated Infrastructure Plan (IIP) and the planned Strategic Economic Plan (SEP) refresh.
- 2.2. To discuss and endorse the proposed approach to the LGF 3 bid and discuss how best to utilise the Integrated Infrastructure Plan to show that the SCR has an

evidenced based Plan on which to base its submission to Government as set out in para 3.8.

- 2.3. To note the internal timescales that have been set and agreed in order to meet the 21 July 2016 Government deadline set out in para 3.8.

3. Background Information

Growth Deal 3

- 3.1. The guidance highlights that LEPs in areas establishing Mayoral Combined Authorities (MCA) will be able to bring forward programme-level proposals for future LGF rounds, which once agreed will also form part of the City Region's single pot. In a subsequent letter received from the Secretary of State for Communities and Local Government (CLG) proposals have now been invited from LEPs for the next round of Growth Deal proposals.
- 3.2. The deadline for proposals has been set for the submission by the summer recess (21 July 2016) to compete for the £1.8bn available. This scale of national investment available is therefore more comparable with Growth Deal 2 than Growth deal 1, where Government allocated £1.1bn and the SCR received £30m. It should also be noted that this funding is primarily phased from 2018 onwards and therefore should be seen to effectively top-up' the City Region's existing LGF award, which begins to taper off from this financial year.
- 3.3. The two main proposed areas themes for this bid would also effectively seek to unlock funding for, capitalising on, two significant work areas that have been undertaken by the SCR over the last year, the Area Based Review and the IIP. As such the SCR's bid would comprise the following main strands:
- **Skills capital funding** – to take forward recommendations of the Area Based Review and wider work on priorities to develop our Local Skills Strategy, including the Institute of Technology.
 - Infrastructure funding for schemes proposed to be commissioned through the **Integrated Infrastructure Plan** – based on the narrative surrounding the development of our Plan, which will enable us to develop a commissioned prioritised pipeline of schemes by beginning of 2017. The SCR will effectively seek additional funding to form the next wave of SCRIF priorities.
 - **Sustainable Transport Exemplar Programme (STEP)¹** – to provide future years funding to be able to extend the length of the existing programme. To note, STEP is a series of transport interventions delivered throughout South Yorkshire by the four local authorities and South Yorkshire Passenger Transport Executive. The primary focus of the programme is active travel, specifically new or improved walking and cycling routes, although it also features some public transport elements, including key bus route improvements.
- 3.4. **It is proposed the thematic content of each of these areas be developed by the respective Executive Boards, based on a common template.** These should then be incorporated into the central narrative that makes the case for investment in the SCR. It is

¹ STEP: The SCR was recently successful in attracting £2.5 million from DfT as part of the Transitional Fund to continue the sustainable travel agenda.

envisaged that this could incorporate some of the key aspects of the planned re-freshed Independent Economic Review (IER) to make the most compelling case to Government.

- 3.5. Government expects the SCR to provide a specific amount of funding and to state the purpose for the monies being asked for. To this extent, the IIP story will need to state the amount of funding that is required for infrastructure. Alongside this, the SCR proposal will need to ensure value for money and set out proper use of public money.

Proposed IEB Approach

- 3.6. The proposed approach to the LGF bid may largely depend on the outcomes of the future priorities discussion which is due to take place at the LEP workshop on 3 June 2016.
- 3.7. The Fund is worth £1.8bn, this suggests the SCR share is likely to be circa £50m.
- 3.8. The proposed IEB approach to articulate a strong pitch on the infrastructure element to Government is as follows (and will be based on a common template based on the broad SCR mandate form):
- SCR will develop a central story around the IIP to make the case for allocating a proportion of the LGF 3 funding for infrastructure
 - This will set out the benefits that the existing SCRIF programme will generate and delivery that has taken place to date
 - Provide detail on the extent of the works undertaken on SCR IIP and strength of evidence
 - In particular, highlight at a high level the extensive analysis undertaken on multiple infrastructure types and set out the opportunities for example, in Housing, Energy, Flooding, and Transport
 - Next steps including the commissioning approach for how infrastructure will be delivered
 - Put forward a (limited) list of spatial priorities and associated case studies to give examples of the types of investment that this could bring forward. To note this may partly be informed by the LEP workshop
 - Demonstrate the outcomes and benefits of delivering the IIP. For example, 90p of every £1 spent on construction projects in the UK stays in the local area

Timescales

- 3.9. Internal timescales that have been agreed by the CA and LEP are as follows:

9 May	Agree our programme level approach with the CA and LEP
w/c 30 May	Update Executive Boards on approach - for the IEB the programme would be shaped by SCR IIP commissioning
3 June for CEX on 14 June	Progress on Initial draft bid
20 June including delegated approval to CA and LEP Chairs for LGF and Transport Exec Board Chairs for Majors bid	First draft to CA & LEP
Post EU referendum	Challenge session with Minister
8 July	Next draft to CA & LEP
w/c 18 July for submission on 21 July	Draft final to CA & LEP Chairs

4. Implications

- i. Financial
 - a. None at this stage
- ii. Legal
 - a. None at this stage
- iii. Diversity
 - a. None
- iv. Equality
 - a. None

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 2016

SHEFFIELD CITY REGION'S PROGRESS IN ATTRACTING INWARD INVESTMENT

Summary

- **As requested by the Infrastructure Executive Board (IEB), this paper:**
 - **Sets out how infrastructure contributes to the attractiveness of SCR to inward investors and how the SCR Integrated Infrastructure Plan (SCR IIP) can support this**
 - **Describes the role of the Inward Investment team and the progress Sheffield City Region (SCR) is making to attract Inward Investment**
 - **Provides an update on Inward Investment performance in the SCR and other Northern regions**
- **The IEB is asked to note how inward investment links with infrastructure in the SCR and the need for the IEB to maintain close liaison with the Inward Investment Team.**

1. Issue

1.1 As requested by the Board, this paper sets out:

- How infrastructure contributes to the attractiveness of SCR to inward investors and how the SCR IIP can support this
- Information on the role of the Inward Investment team and the progress Sheffield City Region (SCR) is making to attract Inward Investment
- An update on Inward Investment performance in the SCR and other Northern regions

2. Recommendations

2.1 The Infrastructure Executive Board (IEB) is asked to note the progress being made by the SCR Inward Investment team and the progress in other Northern regions.

2.2 The IEB is asked to note how inward investment links with infrastructure in the SCR and the need for the IEB to maintain close liaison with the Inward Investment Team.

3. Background Information

The Role of Infrastructure in Inward Investment

3.1 To attract inward investment, SCR needs to be an attractive and competitive place to do business. This requires high quality infrastructure to connect people and places as well as enabling productivity.

3.2 The Inward Investment Team (see 3.7) is already promoting SCR's:

- Residential opportunities at Waverley (Rotherham) and Chesterfield Waterside (Chesterfield)
- Connectivity including the AeroCentre at Doncaster Sheffield Airport
- Training institutions and educational establishments such as the National College for High Speed Rail
- Enterprise Zones and their close proximity to the motorway network

How SCR IIP can support Inward Investment

3.3 The SCR IIP sets out SCR's vision for infrastructure across multiple infrastructure types. SCR IIP highlights the challenges and opportunities associated with infrastructure in our key economic areas and will form the basis of future infrastructure investment.

3.4 The SCR IIP includes infrastructure types which investors typically tell us are important in shaping their investment decisions. These include:

- High performing transport links
- 'Oven ready' commercial property
- Quality housing offer
- Strong broadband and telecommunications
- Highly skilled workforce (training facilities; institutions)

3.5 SCR IIP also identifies a need for the SCR to better promote its strong natural assets and good cultural offer which will contribute to attracting and retaining talent in SCR.

3.6 SCR IIP creates a mechanism by which infrastructure can be delivered based on proposals presented by Local Authorities and potential investors.

3.7 SCR should ensure that the opportunities presented by the SCR IIP and associated pipeline are fed into discussions relating to inward investment.

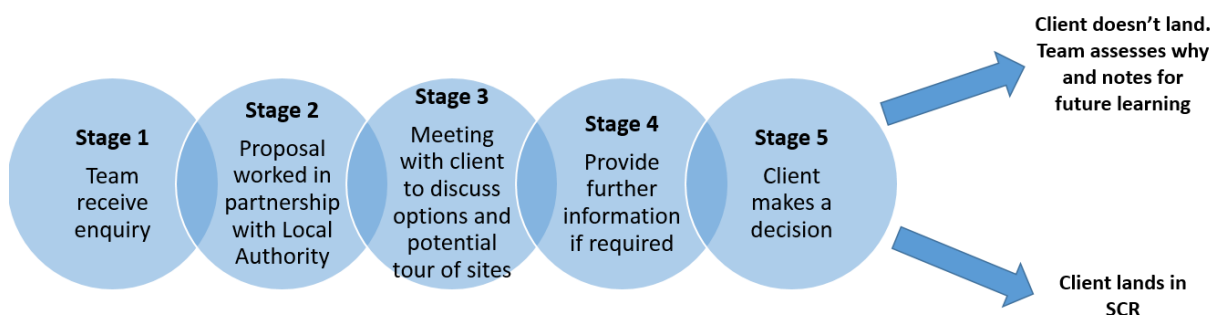
SCR Inward Investment Team Role

3.8 The Sheffield City Region Inward Investment team works in partnership with the Region's nine Local Authorities to provide bespoke advice to investment clients.

3.9 The Team's remit is wide-ranging and includes the following responsibilities:

- Focus on attracting new investors from abroad and foreign-owned companies already in the UK wishing to expand.
- Promote the SCR as well as **providing support** on issues such as **recruitment and training, finding the right premises** and the **cost of living comparisons**.

3.10 The following sets out the stage by stage client enquiry process:



SCR Progress in Attracting Inward Investment

3.11 The Inward Investment Team is making a number of advances to attract inward investment to the City Region. This includes improving research and data collection; exploring new countries for potential investment projects; and expanding the Team's remit.

3.12 The following examples demonstrate these advances in more detail:

- As part of their remit, the Team is **building an evidence base** using the Foreign Direct Investment (FDI) Tool. This Tool helps to examine how many projects are emerging from places such as the United States and Europe. The Model uses a set of indicators such as recruitment or expansion announcements to provide data on FDI flows.
- The Team is **developing a strategy** to explore China and India for potential new investment projects.
- The Team is looking to **expand its remit** to further improve its approach to attract investment in the following ways:
 - Widen its current operating model to work with existing companies in SCR. The view within the team is that there is scope to investigate the top 50 foreign owned companies currently based within SCR. The aim

would be to target their supply chains to see if a company presence is required within the City Region.

- Improve the evidence base using other available Tools so the team is in a better position to seek out companies that are expanding and / or recruiting as well as investigating emerging countries of interest.

Inward Investment Performance

SCR

3.13 The SCR Inward Investment Team is currently **on track** to reach the Strategic Economic Plan (SEP) target of creating an additional 10,000 jobs as a result of direct foreign investment.

3.14 During 2014/15, SCR recorded a total of 24 successful FDI projects. The investments created 1,046 new jobs and safeguarded 280. This demonstrates that the number of safeguarded jobs has increased from 131 in 2013/14 to 280 jobs in 2014/15.

Year	Total reported Successes	UKTI and LEP Supported Successes	Other Successes	New Jobs	Safeguarded Jobs
2013/14	28	18	10	1755	131
2014/15	24	18	6	1046	280

3.15 During 2015/16, the team, in collaboration with Local Authority partners helped to create over 1,000 new jobs and brought in £97 million worth of investment. The following examples demonstrate a few of the companies that have helped to create this investment:

- Amazon.com opened a new distribution centre in Doncaster creating 300 new jobs
- Nikken Ltd set up a new unit at the Advanced Manufacturing Park in Rotherham creating 139 new jobs
- MOBA Mobile Automation set up a facility to supply machine control systems to the waste logistics and construction industry in Barnsley creating 20 new jobs

3.16 It is important to note that the five core cities all have a different operating models when it comes to attracting investment and Trade and Investment. Sheffield City Regions focus is purely on attracting new investment into the region. The remit on companies already based in the region and job creation sits within our partner organisations.

Other Northern regions

- 3.17 Attracting inward investment is a competitive process, the headlines below indicate the performance of other regions during 2014/15. To note, the majority of figures on projects and job numbers for 2015/16 have not been published yet either by the LEP's or UK Trade and Investment.
- 3.18 Greater Manchester LEP recorded a total of 67 successful FDI projects. This investment created 2,341 new jobs and safeguarded 1,217 within the region. Based on information on the MIDAS website (Manchester's inward investment agency) the team seeks to promote development across infrastructure including its motorway and rail network as well as its digital connectivity. The strength of the key disciplines within the Manchester universities is also promoted.
- 3.19 Leeds City Region LEP recorded 46 successful FDI projects. This investment created 2,278 new jobs and safeguarded 253. The website seeks to promote the 10 reasons why investors should locate in the Region including the excellent access to road, rail and air networks (2 hrs from London and 6 hrs from Paris and Brussels by train).
- 3.20 The North East Local Enterprise Partnership (LEP) recorded 44 Foreign Direct Investment (FDI) projects accounting for 3,105 new and 166 safeguarded jobs. Recent success stories include Business Durham – the economy development company for County Durham- who received a grant from the UK Space Agency early 2016 to set up the North East Space Incubator Programme.
- 3.21 Liverpool City Region LEP recorded 28 successful FDI projects. This investment created 1,199 new jobs and safeguarded 507. The Liverpool in London Membership gives the city of Liverpool a base in the capital where they can promote their commercial and business offer, attracting investors and partners.
- 3.22 The above examples are just a snapshot of what the other Northern regions are doing to attract inward investment based on web research. The IEB and Inward Investment Team need to understand the success factors from this investment and explore how to replicate in SCR.

4. Implications

- i. Financial
None
- ii. Legal
None
- iii. Diversity
None
- iv. Equality
None

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

3 JUNE 2016

DFT LARGE LOCAL MAJORS

- The Department for Transport (DfT) has invited the Local Enterprise Partnership (LEP) to bid for a £475m Large Local Major Schemes fund, which forms part of the Local Growth Fund and was announced in the 2016 Budget.
- The target of the Large Local Major Schemes is ‘exceptionally large, transformational schemes that are too big to be taken forward within regular growth allocations and could not otherwise be funded’.
- The competition is for both (a) development funding to prepare an Outline Business Case, and (b) future funding to deliver the scheme should it prove attractive.
- For the SCR LEP area, the minimum scheme size is £75 million. DfT is expecting to receive *no more than one or two bids from a single LEP*.
- SCR will work in partnership with local partners to consider potential bids. A call for schemes has been issued to local partners, with expressions of interest received for four schemes.
- The deadline for bids is the 21 July 2016. SCR will present the proposed draft bids to the June CA and LEP meeting.

1. Issue

- 1.1. This paper provides details of the DfT’s Large Transport Majors competition and next steps for SCR.

2. Recommendations

- 2.1. The Infrastructure Executive Board (IEB) notes the competition next steps and discusses the SCR approach.

3. Background Information

1. The DfT has invited the LEPs to bid for a £475m Large Local Major Schemes fund, which forms part of the Local Growth Fund and was announced in the 2016 Budget.

2. The purpose of the Large Local Major Schemes is to fund 'exceptionally large, transformational schemes that are too big to be taken forward within regular growth allocations and could not otherwise be funded'.
3. The competition is for both (a) development funding to prepare an Outline Business Case, and (b) future funding to deliver the scheme should it prove attractive. The spend is profiled as follows:
4. The funding is profiled as follows:

2016/17	2017/18	2018/19	2019/20	2020/21
£10m	£45m	£45m	£95m	£280m

5.

5. For the SCR LEP area, the minimum scheme size is £75 million. DfT is expecting to receive no more than one or two bids from a single LEP.
6. Detailed guidance has been produced for the competition. SCR and partners are reviewing to understand which schemes are eligible and understand bidding requirements.
7. DfT funds for the July bids will be available from 1 April 2017. DfT has advised that local contributions will be considered.

Expressions of Interest

8. SCR Executive Team undertook a call for schemes amongst Local Authority partners and the South Yorkshire Passenger Transport Executive. Four Expressions of interest (EOI) were received:
 - **Supertram Replacement:** Prepare an outline business case to refurbish the existing tram system in Sheffield to allow it to operate for another 30 years when the existing operation concession ends in 2024. The scheme covers the replacement of assets that are reaching the end of their economic life, including the replacement of the existing fleet of vehicles.
 - **Advanced Manufacturing Innovation District (AMID) / Lower Don Valley:** Prepare an outline business case for a scheme to address concerns around the congestion at J33-J34, providing high quality access to AMID thereby supporting and enabling growth.
 - **Pan Northern Connectivity – New Trans-Pennine through route:** Prepare outline business case to provide improved connectivity to and unlock constrained development across the north through a new east - west corridor to the Humber ports, building on the trans Pennine tunnel from Manchester to the M1.
 - **Doncaster Mass Transit:** Prepare outline business case for mass transit solutions through BRT, Tram, Tram / light rail options to provide mass transit connectivity to the 3 growth hubs in the borough South East around Robin Hood Airport, the Urban Centre,

including connectivity to ECML and North East around M18 J4 and J5.

9. In all cases, SCR recommends that bids for development costs consider a proportion of the costs of refreshing the model baseline (SCR has identified a potential cost of £500k - £1m for an SCR-wide re-baselining and model set up using mobile data). This would help to ensure that SCR would have a fully WebTAG compliant model that could be used to test major schemes within and outside of this particular competition.

Next Steps

10. A process for bid development and submission is attached at **Appendix A**. The process includes liaison with Strategic Leadership Group officers, the IEB and the TEB.
11. The SCR Executive Team will work with partners to agree whether there is a case for advancing a bid. This will include an assessment of the EOI's compliance with the bid guidelines. Which stress that the LEP will need to demonstrate why the scheme is an indivisible project that cannot be delivered using other devolved funding.
12. The deadline for submissions is detailed in the table below. Note that SCR would be seeking development funding through the main competition for which the deadline is 21 July.
13. Given the deadline of 21 July, delegated sign-off will be requested from the CA and LEP Chairs.

	Deadline for bids	Decisions by	Bids invited
2016 fast track	31 May	Summer recess 2016	Development funding only for 2016/17
2016 main round	21 July	Autumn statement 2016	Development funding or scheme funding

4. Implications

- i. Financial
The DfT has indicated that it will manage the Large Majors competition and that these schemes would be exempt from local arrangements.
- ii. Legal
None
- iii. Diversity

None

- iv. Equality
See above

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SCR COMBINED AUTHORITY TRANSPORT EXECUTIVE BOARD

3 JUNE 2016

DFT LARGE LOCAL MAJORS

- The Department for Transport (DfT) has invited the Local Enterprise Partnership (LEP) to bid for a £475m Large Local Major Schemes fund, which forms part of the Local Growth Fund and was announced in the 2016 Budget.
- The target of the Large Local Major Schemes is ‘exceptionally large, transformational schemes that are too big to be taken forward within regular growth allocations and could not otherwise be funded’.
- The competition is for both (a) development funding to prepare an Outline Business Case, and (b) future funding to deliver the scheme should it prove attractive.
- For the SCR LEP area, the minimum scheme size is £75 million. DfT is expecting to receive *no more than one or two bids from a single LEP*.
- SCR will work in partnership with local partners to consider potential bids. A call for schemes has been issued to local partners, with expressions of interest received for four schemes.
- The deadline for submission is the 21 July 2016. SCR will present the proposed draft submission to the 20th June LEP/CA meeting.

1. Issue

- 1.1. This report provides information on the DFT Large Local Majors funding competition.

2. Recommendations

- 2.1. Discusses and recommends to the SCR Combined Authority and Local Enterprise Partnership which projects to take forward in as bids to the DfT.

3. Background Information

- 3.1 The DfT has invited the LEPs to bid for a £475m Large Local Major Schemes fund, which forms part of the Local Growth Fund and was announced in the 2016 Budget.
- 3.2 The purpose of the Large Local Major Schemes is to fund 'exceptionally large, transformational schemes that are too big to be taken forward within regular growth allocations and could not otherwise be funded'.
- 3.3 The competition is for both (a) development funding to prepare an Outline Business Case, and (b) future funding to deliver the scheme should it prove attractive. The spend is profiled as follows:
- 3.4 The funding is profiled as follows:

2016/17	2017/18	2018/19	2019/20	2020/21
£10m	£45m	£45m	£95m	£280m

- 3.5 For the SCR LEP area, the minimum scheme size is £75 million. DfT is expecting to receive no more than one or two bids from a single LEP.
- 3.6 Detailed guidance has been produced for the competition. SCR and partners are reviewing to understand which schemes are eligible and understand bidding requirements.
- 3.7 DfT funds for the July bids will be available from 1 April 2017. DfT has advised that local contributions will be considered.

Expressions of Interest

- 3.8 SCR Executive Team undertook a call for schemes amongst Local Authority partners and the South Yorkshire Passenger Transport Executive. Four Expressions of interest (EOI) were received to which draft bid proformas are attached as **Appendix A**.
- **Supertram Replacement:** Prepare an outline business case to refurbish the existing tram system in Sheffield to allow it to operate for another 30 years when the existing operation concession ends in 2024. The scheme covers the replacement of assets that are reaching the end of their economic life, including the replacement of the existing fleet of vehicles.
 - **Advanced Manufacturing Innovation District (AMID) / Lower Don Valley:** Prepare an outline business case for a scheme to address concerns around the congestion at J33-J34, providing high quality access to AMID thereby supporting and enabling growth.
 - **Pan Northern Connectivity – New Trans-Pennine through route:** Prepare outline business case to provide improved connectivity to and unlock constrained development across the north through a new east - west corridor to the Humber ports, building on the trans Pennine tunnel from Manchester to the M1.
 - **Doncaster Mass Transit:** Prepare outline business case for mass transit solutions through BRT, Tram, Tram / light rail options to provide mass transit connectivity to the 3 growth hubs in the borough South East around Robin Hood Airport, the Urban Centre, including connectivity to ECML and North East around M18 J4 and J5.

- 3.9 In all cases, SCR recommends that bids for development costs consider a proportion of the costs of refreshing the model baseline (SCR has identified a potential cost of £500k - £1m for an SCR-wide re-baselining and model set up using mobile data). This would help to ensure that SCR would have a fully WebTAG compliant model that could be used to test major schemes within and outside of this particular competition.

Next Steps

- 3.10 A process for bid development and submission is attached at **Appendix B**. The process includes liaison with Strategic Leadership Group officers, the IEB and the TEB.
- 3.11 The SCR Executive Team will work with partners to agree whether there is a case for advancing a bid. This will include an assessment of the EOI's compliance with the bid guidelines. Which stress that the LEP will need to demonstrate why the scheme is an indivisible project that cannot be delivered using other devolved funding.
- 3.12 The deadline for submissions is detailed in the table below. Note that SCR would be seeking development funding through the main competition for which the deadline is 21 July.
- 3.13 Given the deadline of 21 July, delegated sign-off will be requested from the CA and LEP Chairs. The TEB will be asked to make a recommendation in July, prior to delegated sign-off by the CA/LEP Chairs.

	Deadline for bids	Decisions by	Bids invited
2016 fast track	31 May	Summer recess 2016	Development funding only for 2016/17
2016 main round	21 July	Autumn statement 2016	Development funding or scheme funding

4. Implications

- i. Financial - The DfT has indicated that it will manage the Large Majors competition and that these schemes would be exempt from local arrangements.
- ii. The proposals put forward in this paper cover the costs of outline business cases (OBCs). OBC costs are of a revenue nature until they result in a developed capital scheme, whereas the funding provided by government will be for capital activity.
- iii. Clarity needs to be sought from government around the eligibility of funding potentially abortive revenue costs from capital resource.
- iv. Legal
None
- v. Diversity
None
- vi. Equality
See above

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SCR INFRASTRUCTURE EXECUTIVE BOARD

22nd APRIL 2016

BROAD STREET WEST, SHEFFIELD

No.	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>Present:</p> <p><u>Board Members</u> Mayor Ros Jones - Doncaster MBC, CHAIR Martin McKervery - 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><u>Declarations of Interest</u></p> <p>None noted</p>	
3	<p><u>Urgent Items / Announcements</u></p> <p>None received</p>	
4	<p><u>Appraisal Panel Business Case Recommendations</u></p> <p>The Board was presented with recommendations by the SCR</p>	

	<p>Appraisal Panel for consideration.</p> <p>Members were provided with a reminder of the appraisal process.</p> <p><u>Workshop and Vesuvius Phase 1</u></p> <p>The Board was asked to consider and agree the recommendation for the Workshop and Vesuvius Phase 1 scheme to progress to full approval and note the following conditions:</p> <ul style="list-style-type: none"> • 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 <p>The recommendation was agreed.</p> <p>Members noted that the scheme promoter has started work early at the promoter's own risk.</p> <p><u>Bus Rapid Transit North</u></p> <p>The Board was asked to consider and agree the recommendation for Bus Rapid Transit North to progress to full approval and note the conditions</p> <ul style="list-style-type: none"> • 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. <p>The benefits of the scheme were reiterated. These include taking pressure of M1 junction 34, and opening up a large site for development.</p> <p>Members sought clarity around the additional costs of remediation, noting that the scheme is largely funded from public money with little private contribution.</p> <p>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.</p>	
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	<p>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.</p> <p>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.</p> <p>The recommendation was agreed</p> <p><u>Olympic Legacy Park</u> Members were asked to consider and agree the recommendation for Olympic Legacy Park to progress to full approval and note the following conditions.</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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. <p>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.</p> <p>It was acknowledged this is a significant project for the City Region.</p> <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"> • The Grant will be awarded to Chesterfield Borough Council; • The maximum value of investment from SCR funds for this scheme will be £2.85m. • 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 	
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	<p>Promoter is able to demonstrate to the satisfaction of the 151 Officer and Monitoring Officer that the risks have been reduced such that:</p> <ul style="list-style-type: none"> ○ 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. <ul style="list-style-type: none"> • Payments of SCR CA Grant will be made in arrears based on defrayals. <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>Action: N Byers to report the Board's comments to the Appraisal Panel and Scheme Promoter</p> <p>RESOLVED, that the Board members:</p> <ol style="list-style-type: none"> 1. Agree the recommendation for Worksop and Vesuvius to progress to full approval. 2. Agree the recommendation for Bus Rapid Transit North to progress to full approval, noting the conditions. 3. Agree the recommendation for Olympic Legacy Park to progress to full approval, noting the conditions. 4. Defer a decision on Peak Resorts progressing to full approval, pending the receipt of further delivery assurances. 	NB
5	<p><u>Scheme Refinement Outcome and Next Steps</u></p> <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.</p> <p>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.</p> <p>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).</p>	

	<p>A presentation on the Sheffield City Centre scheme was requested for the next meeting to provide IEB with more information to explain the changes.</p> <p>Action Dave C to convene</p> <p>The Board discussed potential issues (and dangerous precedent) that might arise as a consequence of having 2 approaches to appraisal (SCRIF and mini-commission).</p> <p>The Board was asked to note that where revisions are agreed, scheme promoters will be asked to provide a revised delivery and spend profile</p> <p>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.</p> <p>RESOLVED, that the Board Members:</p> <ol style="list-style-type: none"> 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. 	
6	<p><u>IIP Update and Summit Events</u></p> <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 SCRiIP 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>Action: Veena to circulate the presentation</p> <p>It was noted that the Sheffield and London launches are still scheduled for Autumn 2016.</p>	VP
7	<p><u>IIP Summit</u></p> <p>Matter addressed at item 6.</p>	
8	<p><u>Commissioning Future Infrastructure Programmes</u></p> <p>A report was provided presenting options to facilitate a discussion on the future sifting and prioritisation of schemes to 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</p>	

	<p>acknowledged that few people have a comprehensive understanding of FLUTE and a guidance note was requested.</p> <p>Action: Dave A to devise and circulate a FLUTE guidance note</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>RESOLVED, that the Board members:</p> <p>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</p>	DA
9	<p><u>Infrastructure Executive Board Minutes</u></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>8. <u>Northern Powerhouse Conference</u> 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>Action Veena to discuss with Rachel Clark</p> <p>RESOLVED, that the minutes of the previous meeting held on 26th February are agreed to be an accurate record of the meeting</p>	VP
10	<p><u>Any Other Business</u></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 SCRIIP in some respect.</p> <p>It was noted that DfT will be expecting a local contribution to any allocation.</p>	
13	<p><u>Date of the Next Meeting</u></p> <p>3rd June – Broad Street West, Sheffield, 10.00am</p>	