Sheffield City Region COMBINED AUTHORITY

INFRASTRUCTURE EXECUTIVE BOARD

Date: Friday 15 July 2016
Venue: 11 Broad Street West, Sheffield
Time: 10.00 am

AGENDA

Item	Subject	Method	Lead	Page
	Introduction			
1	Welcome and Apologies	Verbal	Chair	
2	Declarations of Interest	Verbal	All	
3	Urgent Items / Announcements	Verbal	ALl	
	Business Items			
	CIAT Business Cases			
4	a) Sheffield City Centre Knowledge Gateway b) DN7 (Update) c) Collenades d) Creative and Cultural Quarters e) Clay Wheels Lane (Update)	Papers and Presentation	D Allatt, N Byers, SCC	1 - 48
5	M1 J36 Lessons Learned	Paper	N Byers	49 - 54
6	Programme Dashboard Template	Paper	M D Rossi	55 - 62
7	LEP Prioritisation Workshop Impact on SCR IIP	Paper	V Prajapati	63 - 66
8	Key Thematic Links – Infrastructure, Housing & Transport	Paper	V Prajapati	67 - 76
	Updates			
9	Infrastructure Executive Board Minutes	Paper	Chair	77 - 82
	Actions and Forward Plans			
10	Agree Actions	Verbal	Chair	

Item	Subject	Method	Lead	Page
11	Agree Items for Combined Authority Meeting 1st August 2016	Verbal	Chair	
12	Any Other Business	Verbal	Chair	

DATE OF NEXT MEETING – 26th August 2016

Sheffield City Region COMBINED AUTHORITY

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 July 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 three schemes and the technical recommendations are now presented for consideration. The schemes are:

- **Sheffield City Centre: Knowledge Gateway – Full Business Case**
- **DN7: Unity Park – Resolution of conditions**
- **Doncaster Urban Centre: Civic and Cultural Quarter – Full Approval**
- **Doncaster Urban Centre: Colonnades – Full Approval**

1. **Issue**

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

2. **Recommendations**

2.1. Consider and approve the Sheffield City Centre: Knowledge Gateway Full Business case subject to the conditions set out in the Project Approval Summary Table attached at **Appendix 1**.

2.2. Consider and approve the resolution of conditions for DN7 noting the remaining conditions set out in the Project Approval Summary Table attached at **Appendix 2.**

2.3. Consider and approve the award of £0.635m for Doncaster Urban Centre: Civic and Cultural Quarter subject to the conditions set out in the Project Approval Summary Table attached at **Appendix 3.**

2.4. Consider and approve the award of £2.280m for Doncaster Urban Centre: Colonnades subject to the conditions set out in the Project Approval Summary Table attached at **Appendix 4.**

3. **Background Information**

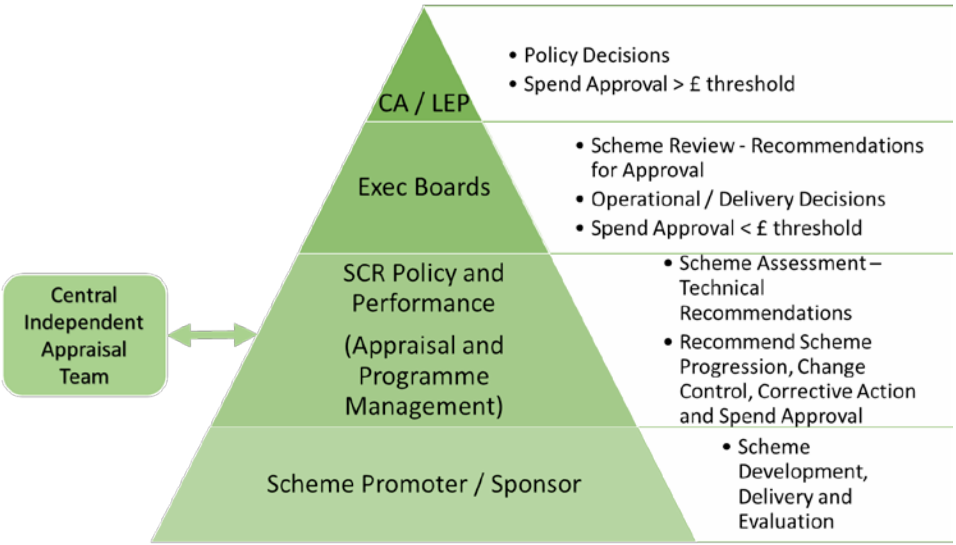
3.1. SCR Assurance Framework requires that all schemes seeking investment undergo a thorough and proportionate scheme appraisal following the Treasury Green Book approach.

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

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

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

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



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

Sheffield City Centre: Knowledge Gateway – Full Business Case
DN7: Unity Park – Updated Full Business and resolution of conditions of approval at FBC stage
Doncaster Urban Centre: Civic and Cultural Quarter – Full Approval
Doncaster Urban Centre: Colonnades – Full Approval

3.7. Included in Appendices 1 to 4 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

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POST Head of Performance

Officer responsible: **Julie Hurley Director of Transport**
SCR Executive
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Other sources and references:

Appendix 1 – Sheffield City Council: Knowledge Gateway – Project Approval Summary Table and supporting evidence.
Appendix 2 – DN7 – Project Approval Summary Table and supporting evidence
Appendix 3 – **Doncaster Urban Centre Civic and Cultural Quarter** – Project Approval Summary Table and supporting evidence.
Appendix 4 – Doncaster Urban Centre Colonnades - Project Approval Summary Table and supporting evidence.

Scheme Details		**Appraisal Panel Comments**		**Recommendations / Conditions**	
SCR Executive Board	Infrastructure	**Strategic Case**	Investment in four interlinked public realm and highways enhancements in the 'Knowledge Gateway' area of Sheffield City Centre has a clear strategic rationale and basis in both Sheffield City Council and City Region spatial and economic strategy. The project is a follow on from the Grey to Green Phase 1 and University of Sheffield Campus projects which have already been funded through SCRIF.	**Funding**	LGF
Project Name	Knowledge Gateway	**Value for Money**	The economic case effectively demonstrates that it is possible to balance the commercial risks against the considerable scale of economic benefits proposed and the relatively modest SCRIF requirement. As a guide to a strong value for money position, only 155 of the 1,638 net additional jobs claimed in the business case would be required to meet the HCA's low end cost-per-job benchmark.	**Approval Requested**	Full Business Case – noting conditions
Scheme Promoter	Sheffield City Council	**Risk**	Reasonable evidence has been provided on the progress of commercial and University developments in the Knowledge Gateway area, but there remain some outstanding uncertainties over the deliverability of some of the commercial and economic outputs associated with the SCRIF investment.	**Grant Award**	£3.815m Capital LGF
SCR Funding	£3.815m			**Grant Recipient**	Sheffield City Council
Total Scheme Cost	£5.775	**State Aid**	Neutral	**Payment Basis**	Defray in arrears
% SCR allocation	66%	**Delivery**	Sheffield City Council has a demonstrable track record in managing public realm and highways capital projects in the City Centre. However, further detail on the status of match funding and effects of phased and sequential traffic management would provide further assurances.	**Claw Back Clauses**	None

Description	**Conditions of Award**
Sheffield City Council is applying for £3.815m of SCRIF for the third package of infrastructure and public realm investment – 'Knowledge Gateway' – under the Sheffield City Centre SCRIF investment programme. The package is expected to cost ca. £5.8m in total and will involve four interlinked project investments in the area of Sheffield City Centre immediately to the west and north-west of the railway station. The enhancements will provide high-quality public realm and traffic management designs along the north–south spine linking a number of key city centre locations	Agreement of a revised set of project objectives between SCR and SCC Provision of an updated statement on the level and timing of £1.42m match funding Provision of an updated risk register

Record of Approvals – Knowledge Gateway					
Appraisal Panel		**Executive Board**		**CA**	
Date of Meeting	05/07/2016	**Date of Meeting**	15/07/2016	**Date of Meeting**	01/08/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	**SCR Officer Presenting Paper**	David Allatt	**SCR Officer Presenting Paper**	
Signature	Melanie Dei Rossi	**Signature**		**Signature**	
Approving Officer	Gareth Sutton	**Approving Officer**		**Approving Officer**	
Signature	[illegible]	**Signature**		**Signature**	
Date	06/07/16	**Date**		**Date**	

Sheffield City Region

Project Dashboard (Infra)

SCR Office Use Only - Perfomance Team Assessment	Green

Project Details	Name	Number	Promoter	Sponsor	Manager
	Knowledge Gateway	0	Yunus Ahmed	Ed Highfield	Richard Pearson

Reporting Period	Q4 Jan 16 - Mar 16
% Complete	11%

Objectives			
Current	Green	Trend	↔
Last	Green		

Overall Project Status			
Current	Green	Trend	↔
Last	Green		

Time — Green

LAST	CURRENT	Trend
Green	Green	↔

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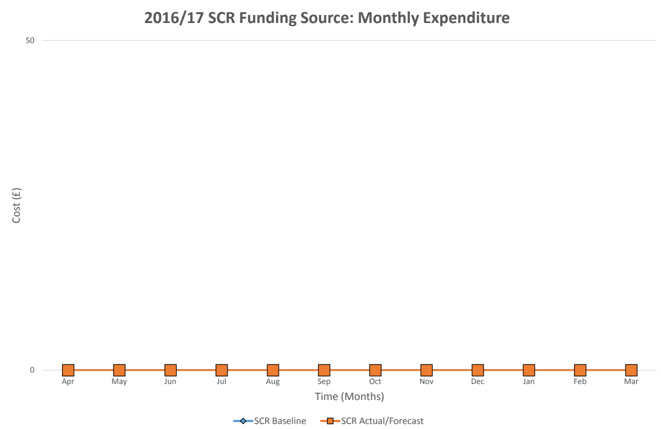
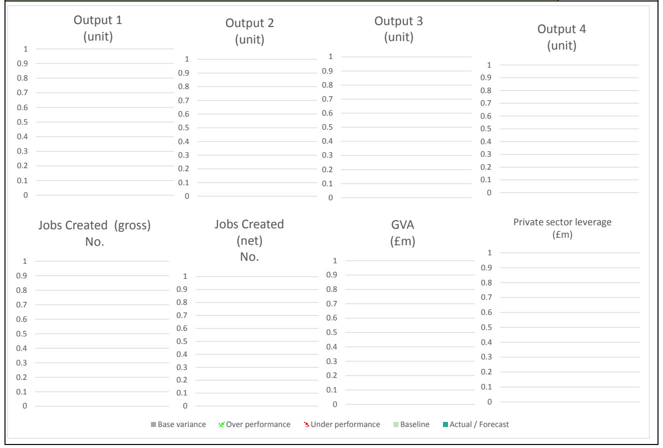
Milestone variation (combined days)	0

Cost — Green



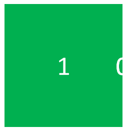
Quality



Change Requests

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

Issues — Green



Escalate?	

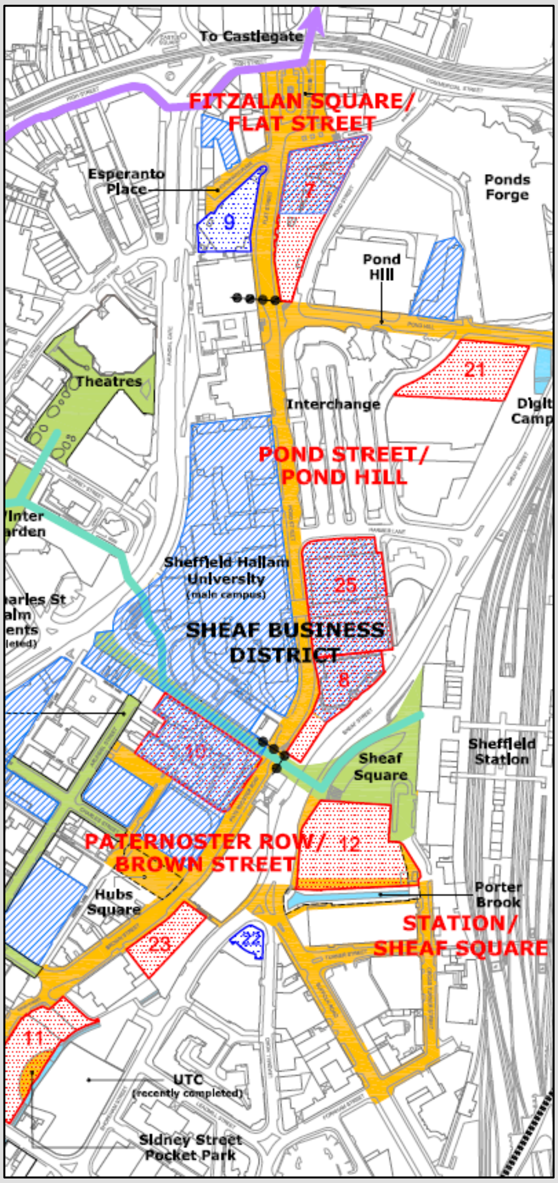
Risks — Amber

Escalate?	

STRATEGIC CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Project description

Sheffield City Council is applying for £3.815m of SCRIF for the third package of infrastructure and public realm investment – ‘Knowledge Gateway’ – under the Sheffield City Centre SCRIF investment programme. The original Stage 1A SCRIF ask for this package has been reduced by £3.2m as the contribution towards strategic flood defence works on the River Sheaf is no longer required.



The package is expected to cost ca. £5.8m in total and will involve four interlinked project investments in the area of Sheffield City Centre immediately to the west and north-west of the railway station. The enhancements will provide high-quality public realm and traffic management designs along the north–south spine linking a number of key city centre locations, including:

- Sheffield Hallam University City Campus and the new Sheffield *Institute of Arts*;
- Sheffield Railway Station and Public Transport Interchange;
- The Sheaf Valley Business Quarter;
- The Cultural Industries Quarter;
- Sheffield Digital Campus; and
- Sheffield University Technical College (UTC).

The proposed SCRIF-funded works include:

1. **Fitzalan Square – Esperanto Place – Flat Street**

Improved access and environment around the new location of the *Sheffield Institute of Arts* (Old Post Office) to include highways and bus route reconfiguration and re-creation of the historic public square including landscaping, street furniture and planting. Also, this element includes the proposed demolition of buildings on Arundel Gate to create a pedestrian route towards the Heart of the City.

2. **Pond Street and Pond Hill**

Enhancements to the pedestrian links between Sheffield Hallam University, the Transport Interchange, Fitzalan Square and the Digital Campus including new footways, raised table crossings and relocation of a taxi rank.

3. **Paternoster Row and Brown Street**

   Public realm enhancements to the main pedestrian route connecting Sheffield Hallam University and the rail station with the SHU union, the Creative Industries Quarter and the Porter Brook (Sidney Street) development site to include carriageway narrowing, introduction of a cycle lane, new footways and raised table crossings and junctions.

4. **Sheaf Square and Sheffield Rail Station**

   Highways reconfiguration, public realm enhancements and minor environmental works to improve access to the Sheaf Square development site and Sheffield Railway Station.

The package incorporates elements of the 2013 Sheffield City Centre Masterplan and the Sheffield Hallam University Estates strategy – and is a proposed continuation of the investment in high-quality public realm to support business and educational growth opportunities in the City Centre.

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

The project has a clear strategic economic rationale based upon its potential to:

- support and enhance the role of Sheffield City Centre as a driver of City Region economic growth;
- support the growth of Sheffield Hallam University as a key City Region institution; and
- catalyse specific private sector development and investment in the City Centre.

1. Role of Sheffield City Centre

The strategic rationale for City Region investment in the overall Sheffield City Centre SCRIF programme was established at Stage 1A Outline Business Case and supported through Stage 1B Full Business Cases for the Grey to Green 1 phase 1 and Sheffield University Campus projects.

Sheffield City Centre is identified as one of the City Region's seven spatial priority areas. The business case highlights the alignment of the aims of the project with evidence from the *Independent Economic Review* and the *Strategic Economic Plan* to demonstrate the importance of the City Centre to SCR-wide economic growth

The rationale presented is that the City Centre is the most significant location for future economic growth across Sheffield City Region. The objective of the overall programme is to deliver the public realm and infrastructure investments planned across the City Centre to encourage and secure private investment and development – including from the City's two universities – by improving the urban environment and therefore supporting future economic growth for the wider City Region.

Specific strategic economic aims of the Knowledge Gateway investments include: to improve the poor investment perceptions of the area around Fitzalan Square and the new *Institute for Arts;* and to address access issues inhibiting movement and new investment around the railway station.

The project has a strong basis in local economic and spatial policy through its inclusion in Sheffield City Council's 2013 City Centre Masterplan and is part of a wider programme of high-quality public realm improvements across the City Centre.

2. Role of Sheffield Hallam University

Sheffield Hallam University's (SHU) main campus is located in the City Centre, and now extends along the 'Knowledge Gateway' corridor from the *Institute of Arts* at the north end to Furnival Street in the south. The business case identifies the University's continuing growth plans and its five year investment plan outlined in the Estates Strategy as evidence of commitment to ongoing capital investment by SHU in the City Campus and surrounding area.

Recent expansion of the SHU City Campus has included the Charles Street building for the Institute for Education and Business School, and the National Centre for Food Engineering. The 'Knowledge Gateway' project aims to support continued investment by the University in the City Centre and address identified problems with a poor pedestrian environment around the campus. The business case indicates that SHU's decision to invest in the redevelopment of the Old Post Office as the *Institute of Arts* was directly influenced by the SCRIF 1A approval for the proposed public realm investment – and this is supported by evidence in the letter of support provided from SHU.

3. Catalyst for specific private sector development and investment

The '*development catalyst'* rationale suggests that by demonstrating its commitment to delivering a high-quality urban environment, the Council can help to enable positive investment decisions by the private sector. This argument is supported in the business case by evidence from previous investments (e.g. Heart of the City), from stakeholder consultation and indications of existing development decisions including recently securing a preferred developer-investor for the Porter Brook (Sidney Street) site. A series of seven development sites and opportunities is identified along the 'Knowledge Gateway' corridor which may be positively influenced by the public realm and infrastructure investment (see Commercial and Economic cases).

Are SMART objectives clear and consistent with the nature of the scheme?

The overall programme objectives are to increase investor confidence and GVA (economic value-added) in Sheffield City Centre.

A series of project objectives are provided in the business case – summarised in the three categories below. It is suggested that CIAT reviews the objectives provided with the applicant to ensure that each one is appropriate for the measurement of the success of the SCRIF investment on the basis of the comments below:

1. **Project delivery objectives**

- Deliver 20,000m^2 area / 1km length of new public realm – This objective should be time-bound to align with the proposed project completion in May 2018 and the time profile of outputs given in the economic case.
- Deliver site specific access, flood alleviation and railway station access improvements to improve the viability of the Sheaf Square site – no development appraisals are yet available for the Sheaf Square site, so the baseline commercial viability position is not yet known.

2. **Private sector investment objectives –** relating to specific development and investment opportunities:

- ❑ Securing investment and development on the Sheaf Square and Sheaf Street sites within 3 years – clarification is required on the start/end of the 3 year period.
- ❑ Start construction of Flat Street residential development within 2 years – it is not clear why this is included as a key objective as no outputs are claimed in relation to this site. In contrast, there are no targets relating to the Porter Brook, Digital Campus and Site Gallery opportunities. Clarification of start/end dates is required.

3. **Sheffield Hallam University growth objectives**

- ❑ 152 net direct jobs over 5 years – this figure is taken from the estimate of *gross* direct jobs supported by new student expenditure in the SHU Economic Appraisal Report. That assessment includes sites which are not included as outputs in the Knowledge Gateway economic case (e.g. Cantor Building, National Food Centre) and therefore this may not be an appropriate measure of jobs growth supported by the SCRIF investment. In addition, it is not apparent how this objective will be measured.
- ❑ 897 additional students – this figure is also taken from the SHU Economic Appraisal Report and includes student numbers from sites which are not mentioned in the economic case for SCRIF investment. The objective is not time bound.
- ❑ Uplift of £13.5m student spend and £9m GVA – this objective is also directly related to the potential of the enhanced environment to attract additional students. It is not clear how this could be measured.
- ❑ 3,000 per day increase in students using the routes to access the campus – it is not clear how this will be measured, or what the baseline footfall is.

Are there any adverse consequences if the scheme goes ahead / does not go ahead?

The business case identifies two potential disbenefits of the scheme:

1. Bus diversions could increase general traffic journey times on some routes. According to the business case and the transport modelling report provided (Arup), any minor disbenefits would be balanced out against improved bus journey times and improved general traffic times on other routes.
2. Construction disruption – the business case identifies the high-risk areas of Fitzalan Street and Sheaf Square with high volumes of traffic and pedestrian flows which will need to be carefully managed throughout the construction period.

Has a robust assessment of the alternative options been considered?

The business case presents three options which have been considered in the development of the project:

- ***No SCRIF –*** Investment would be limited to 'immediate necessities'. The City Council has dismissed this option on the basis that it would not deliver a comprehensive, connected or consistent quality programme – which could lead to an increase in costs and 'unnecessary disruptions'. It is not entirely clear from the analysis what level of investment would take place and which sub-projects (if any) could be delivered without SCRIF grant, and therefore what the additional benefits of SCRIF funding may be.
- ***Reduced SCRIF –*** a targeted programme of investment. The applicant has dismissed this option on the basis that it would lead to a lengthier and more uncertain implementation period – losing comprehensiveness and missing partnership opportunities.
- ***Full SCRIF investment*** – the preferred option. The applicant has reiterated the strategic benefits of the project as presented in the business case, including the opportunity to deliver a comprehensive single two-year programme of investment and boost private-sector investor confidence in the City Centre.

The principles behind these scenario assumptions appear reasonable, however, the analysis is not as comprehensive as might be expected for a project at this stage in its development. The options analysis could have been used to fully demonstrate the additionality of the SCRIF investment, particularly by demonstrating the three key benefits of grant funding as outlined in the Economic Case i.e.

- ❑ How is development on each of the sites expected to be ***accelerated*** by the investment?
- ❑ How is the scale of development expected to be ***maximised*** by SCRIF investment?
- ❑ How are ***higher-value end*** *users* expected to be attracted by SCRIF investment?

The analysis of both the *no SCRIF* and *Reduced SCRIF* options would be strengthened by outlining what elements of the public realm works could be delivered in each scenario and what the scale of benefits might be – in order to demonstrate the additional benefits of the preferred option.

The rationale for the SCRIF investment in the preferred option would also be strengthened by demonstrating what (if any) alternative sources of funding have been pursued or dismissed in order to finance the proposed works.

COMMERCIAL CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Is the scheme feasible and has market potential / demand been adequately assessed / evidenced?

The business case identifies seven individual development sites and opportunities along the Knowledge Gateway corridor (see below) which are expected to be positively influenced by the SCRIF investment in public realm and infrastructure – and therefore are proposed as the source of economic benefits. The comprehensive improvement in the urban environment is proposed to have three key benefits across these development sites:

1. *Accelerated development and occupation of employment sites* – the comprehensive plan and public sector investment will strengthen developer-investor confidence such that development sites are delivered and/or occupied sooner than otherwise would be the case.
2. *Maximised development opportunities* – SCRIF investment in access and movement improvements enables larger scale developments on certain sites than otherwise would be the case.
3. *Maximised economic value of development* – the comprehensive plan and public sector investment will increase the likelihood of securing inward investment from outside the City Region and end users from higher-value-added sectors, rather than general business services which may be displaced from elsewhere in the City Region.

The table below outlines the seven development opportunities, the proposed effect of the Knowledge Gateway SCRIF investment, and a summary of the market potential and evidence for the delivery of each site.

Site	Landowner	Proposed use(s)	SCRIF additionality assumptions	Market potential and evidence for assumptions
Sheaf Square	HCA	Office ($20{,}000m^2$) Hotel ($5{,}000m^2$)	Office will be 25% smaller without SCRIF Higher-value office occupiers with SCRIF Hotel use is not viable without SCRIF works due to remaining traffic issues	HCA to advertise site on open market in late summer 2016 HCA letter of support outlines market potential: ▪ Interest expressed from several developers ▪ HCA committed to addressing remaining site issues alongside SCRIF-funded access works ▪ Sheaf Square access study identifies access issues and conflicts between taxi and pedestrian access to the station and Sheaf Square site. No developer or end-users yet identified.
Porter Brook / Sidney Street	City Council / CTP	Residential (169 flats) Commercial employment ($1{,}340m^2$ Creative Business Space)	SCRIF-funded public realm enables commercial occupiers to be secured one year earlier Higher-value commercial occupiers with SCRIF (see Economic Case)	Preferred developer (CTP) selected through competitive process Developer has 'expressed interest' in co-investment in public realm around the site and is reported to have commenced detailed design and related technical work at their own financial risk. Pre-planning negotiations are ongoing and the planning application is expected summer 2016
Digital Campus (phase 3)	Scarborough Group	Office (2x buildings totalling $13{,}000m^2$)	SCRIF-funded public realm accelerates full development and occupation by one year Higher-value office occupiers with SCRIF	Business case indicates development of the first building (Acero) is likely to come forward in 2017 with the second (Vidrio) to follow. Additional information from applicant indicates that the development is now on site. Planning permission is already granted.
Site Gallery	Site Gallery	Gallery Office	Gallery extension would be delayed by 2 years without SCRIF-funded public realm and façade improvements	Letter of support from gallery indicates around £1.1m raised in grants for planned extension. A further £500k to be raised from other charitable trusts Information from the gallery states business lets have a minimum 90% occupancy and waiting list of demand. Also, the gallery reports regularly turning away potential hires for space.
Sheffield Hallam Institute of Arts	Sheffield Hallam University	Education ($1{,}800m^2$) Retail ($600m^2$)	SCRIF-funded public realm secures additional 25% students increasing GVA by £1.23m in Year 1	The redevelopment of the Old Post Office as the *Institute of Arts* has now been completed Business case and SHU letter of support indicate SCRIF 1A approval gave SHU confidence to go forward with redevelopment
Sheffield Hallam – Sheaf Street (NMB)	Sheffield Hallam University	Education ($8{,}500m^2$) Office ($4{,}000m^2$)	Without SCRIF-funded public realm the scale of the building will be reduced by 50% and delivery will be delayed by at least two years (SHU Economic Appraisal Report)	Business case indicates that SHU has purchased the site with the plan to develop a 'welcome building' SHU letter of support – NMB is a 'key investment over the next few years'.
SHU Science Park	Sheffield Hallam University	Education ($7{,}000m^2$) Office ($7{,}000m^2$)	Without SCRIF-funded public realm the development is unlikely to be delivered until at least 2022 (SHU Economic Appraisal Report)	New facilities for Science Park identified as priority in SHU Estates Strategy

Reasonable evidence has been provided to illustrate the progress of commercial and/or university investment and development proposals for most of the sites. However, there are a number of outstanding commercial risks for which further evidence would provide greater assurance that the scale and timeline of proposed economic outputs can be delivered:

Commercial risk 1 – *The scale of up-front investment by Sheffield City Council (via SCRIF) and the HCA is not sufficient to improve the commercial viability of the Sheaf Square site, such that a developer-investor may not be secured in 2016 or 2017*.

The Station Access / Sheaf Street Access Scoping Study (provided in support of business case) identifies the requirement for improved access via Cross Turner Street to the development site and the proposed reconfiguration to avoid conflict between taxis, pedestrians and cyclists accessing the site and the station. At this stage however, no development appraisals have been provided to outline the viability gap on the site or demonstrate the contribution of the SCRIF-funded works to the financial viability of the overall development.

Commercial risk 2 – *Property demand is not sufficient from employers in higher-value sectors to secure the occupation of all new commercial space as proposed.*

The business case outlines some headline market evidence on the demand for office space in Sheffield, which indicates a lack of supply of Grade A space. However, there is no specific sectoral analysis of demand to support the rationale that higher-value occupiers (e.g. in ICT and digital industries) may be attracted to the Porter Brook, Sheaf Square and Digital Campus sites through the improvements to the urban environment.

Commercial risk 3 *– University buildings not developed to the floorspace, timescale and end-use as proposed.*

The business case is supported by a letter from Sheffield Hallam University which indicates the ongoing growth plans for the City Campus including ‘key investment over the next few years at the Nelson Mandela site’; whilst the SHU Estates Strategy identifies new facilities for the Science Park as part of the medium-term strategy. The applicant has stated (additional information) that dialogue with SHU suggests that the University would consider a scaled-down building in the absence of SCRIF investment. Beyond this, no further evidence is available at this stage to support the assumptions in the economic case about the scale (floorspace m^2; staffing) and timing of SHU’s development proposals.

Is the procurement strategy clear with defined milestones?

A reasonably clear procurement strategy has been identified. The City Council intends to procure design and construction through established compliant processes. Works to the public highways will be contracted using the established YorCivils pre-procured framework, which ensures OJEU compliance and value for money consideration. The business case indicates that it is likely that design work will be completed by Amey, who are already contracted as the Council’s highways delivery partner. The Council intends to award a single contract for all phases though multiple contracts may be considered. It is proposed to go out to tender in December 2016 with contractor(s) to be appointed by April 2017.

Work to SHU land will be procured separately.

Economic Case Assessment (to be completed by the assessor)

Economic additionality of SCRIF-funded infrastructure

As outlined in the *Commercial Case assessment* (above) the three proposed benefits of the comprehensive package of investment, over and above the reduced SCRIF option and no SCRIF option are:

1. Accelerating the development and occupation of commercial employment sites;
2. Maximising the scale of development across all sites; and
3. Securing occupiers from higher-value-added employment sectors.

The SCRIF additionality assumptions for each development opportunity are indicated in the table below.

Have gross and net economic impacts been assessed appropriately?

The estimated gross outputs of each of the development sites enabled by the SCRIF investment are outlined in the table below:

Site	Use	Construction		Jobs		SCRIF additionality assumptions
		With SCRIF	No SCRIF	With SCRIF	No SCRIF	
Sheaf Square	Office	20,000m^2 (2018-20)	15,000m^2 (2019/20)	1,667 (2019/20)	1,250 (2020/21)	Office will be 25% smaller without SCRIF Higher-value office occupiers with SCRIF (see below)
	Hotel	5,000m^2 (2018/19)	Not delivered	160 (2019/20)	0	Hotel use is not viable without SCRIF works due to traffic issues
Porter Brook / Sydney Street	Office	1,400m^2 (2016/17)	1,400m^2 (2016/17)	117 (2017/18)	117 (2018/19)	SCRIF funded public realm enables occupiers to be secured one year earlier Higher-value office occupiers with SCRIF (see below)
Digital Campus (phase 3)	Office	13,000m^2 (2017-19)	13,000m^2 (2017-21)	1,083 (2017-20)	1,083 (2017-21)	SCRIF funded public realm enables occupiers to be secured one year earlier Higher-value office occupiers with SCRIF (see below)
Site Gallery	Gallery/ office	800m^2 (2016/17)	800m^2 (2018/19)	30 (2016/17)	30 (2018/19)	Gallery extension would be delayed by 2 years without SCRIF-funded public realm and façade improvements
Sheffield Hallam Institute of Art	Education	1,800m^2 (complete)	1,800m^2 (complete)	50 (2016)	50 (2016)	SCRIF-funded public realm secures additional 25% students increasing annual GVA by £1.23m
	Retail	600m^2	600m^2	33 (2016)	33 (2016)	
Sheffield Hallam – Sheaf Street (NMB)	Education	8,500m^2 (2016/17)	4,250m^2 (2019-21)	236 (2018/19)	118 (2020/21)	Without SCRIF-funded public realm the scale of the building will be reduced by 50% and delivery will be delayed by at least two years (SHU Economic Appraisal Report)
	Office	4,000m^2 (2016-18)	2,000m^2 (2019-21)	333 (2018/19)	167 (2020/21)	
SHU Science Park	Education	7,000m^2 (2018-21)	7,000m^2 (2021/22)	194 (2020/21)	194 (post 2022)	Without SCRIF-funded public realm the development is unlikely to be delivered until at least 2022 (SHU Economic Appraisal Report)
	Office	7,000m^2 (2018-21)	7,000m^2 (2021/22)	583 (2020/21)	583 (post 2022)	
TOTAL gross outputs		**69,100m^2**	**52,850m^2**	**4,486**	**3,625**	

Development assumptions

The assumptions behind the economic output calculations all appear reasonable although the quality of evidence behind them is mixed. In the case of the Sheffield Hallam University sites, the applicant has indicated that the timing and scale assumptions have been informed by discussions with SHU – although no evidence of specific plans from the University for these sites is yet available. In other instances, the assumptions are less well evidenced. For example, the assumptions around the scale and end use of any development on the Sheaf Square site are only backed up by the Council's aspirations and no detail of any proposed development at this stage. These risks in the analysis are however tempered by the attribution sensitivity analysis (see Value for Money) which indicates that the full scale of benefits proposed in the economic case will not necessarily be required in order to achieve reasonable value for money.

Gross employment outputs from enabled development

Overall gross employment outputs from enabled development appear to have been calculated appropriately – 4,486 jobs in the *With SCRIF* case and 3,625 in the *No SCRIF* case. Jobs estimates have been made using recognised employment floorspace densities (HCA). For educational uses, a metric of $36m^2$ per worker has been used according to HCA 2010 guidance for D1 use class. Although it may have been more appropriate to use employment estimates taken directly from Sheffield Hallam University (as per SHU Economic Appraisal report), any possible over-estimate of gross educational employment is unlikely to have a significant effect on the net employment calculations.

Gross employment outputs from construction

The overall development across the seven sites is estimated to support 2,450 construction job years between 2016 and 2021. This has been calculated using recognised government construction labour coefficients (OffPat, 2009) based on a total estimated capital investment of £163.6m. (Note: Updated government construction labour co-efficient are presented in the HCA Best Practice Note *Calculating Cost Per Job* 2015, which have revised down the worker per £ coefficients)

Net employment outputs from enabled development

The business case estimates that the SCRIF investment could support the acceleration of 1,638 net additional jobs by 2021. Net jobs appear to have been calculated appropriately for both the *With SCRIF* (4,519) and *No SCRIF* cases (2,881) applying additionality adjustments as per government guidance.

For office employment, different additionality assumptions have been applied in the two cases – with a greater level of displacement and lower economic multiplier in the *No SCRIF* case to reflect the assumption of lower-value general business services occupiers and a greater chance of relocation from elsewhere in the City Region.

Gross value added

Based on the net additional job outputs and economic activity supported by additional students, the seven development sites are estimated to support and cumulative additional GVA of £499.4m by 2021 (NPV).

Gross value added estimates have been made using sectoral GVA per job metrics for SCR and have been discounted at 3.5% p/a as per Green Book guidance. A 10% p/a decay factor has also been applied.

For office employment, different sectoral GVA assumptions are applied in the two cases – *With SCRIF* it is assumed that 55% of office jobs are in the high-value ICT sector (£56,468 GVA per job) whilst in the *No SCRIF case* the proportion is 25%. This reflects the assumption that the improved urban environment will help to attract end-uses in higher value sectors. The applicant has indicated that this is a reasoned assumption, informed by qualitative information about existing office spaces such as Electric Works (Digital Campus, phase 1).

Does the scheme offer reasonable value for money (making reference to benchmarks and the reference case)?

The SCRIF cost per net additional job as presented in the business case is £2,329 (£3.815m total SCRIF investment / 1,638 net additional jobs). The net GVA per £1 of SCRIF (BCR) is £97.9.

The applicant has rightly acknowledged that it is unlikely that all of the economic outputs associated with the development of the seven sites can be attributed to SCRIF investment in public realm. As such a sensitivity analysis is provided:

- 20% benefits attributed to SCRIF - £11,643 per net additional job / BCR 19.6
- 35% benefits attributed to SCRIF - £6,653 per net additional job / BCR 34.3
- 50% benefits attributed to SCRIF - £4,657 per net additional job / BCR 48.9.

Note: GENECON's 2010 Heart of the City Evaluation of Public Realm attributed approximately 30% of job benefits in linked development schemes to the public realm investment. This analysis suggests that the investment has potential to achieve very good value for money when compared to established benchmarks.

Accounting for an additional £620,000 public sector investment from the Council and SHU, the project would need to support 155 net additional jobs in order to meet the HCA's 'low' cost per net additional job benchmark of £28,700.

Assess the wider contribution of the scheme

The business case presents a number of potential wider benefits of the investment, which may have positive economic benefits which cannot necessarily be easily monetised for the purposes of appraisal. These include: educational and cultural benefits; improved pedestrian amenity and safety; environmental improvements to the Porter Brook river; and reintegration of businesses into the City Centre.
What Value for Money Category has been ascribed to this scheme? N/A as not assessed as transport investment.
Have any adjustments been made to the analysis provided by the promoter and why? N/A
What are the key risks, sensitivities, and uncertainties relating to the analysis? The three commercial risks outlined in the Commercial Case assessment bring a degree of uncertainty to the assumptions used to calculate additional economic outputs. In addition there are two minor issues with the approach taken to the calculations of economic benefits: 1. *Calculation of construction-related employment*: The business case calculations have used construction labour coefficients of numbers of workers supported by £m of output from OffPat 2009 guidance. Subsequent guidance from HCA (*Calculating Cost Per Job Best Practice Note,* 2015) has updated and revised down these coefficients – meaning that the applicant's assessment may be a minor over-estimate. 2. *Calculation of additional student GVA* – The business case calculations of GVA have included an additional £1.23m in GVA related to additional students at the *Institute of Arts.* This is based on evidence from the SHU Economic Appraisal Report – but the basis of this calculation of student numbers and GVA is unclear. Nevertheless, the additional GVA is only applied for one year in the 'With SCRIF' case, where in reality the economic effect is likely to persist for a number of years. As such, this is not deemed to be a major risk to the analysis.
Are there any significant environmental disbenefits or missing analyses? None noted. The environmental effects appear to be neutral or positive.
Are there any significant social and distributional impacts or missing analyses? No missing analyses noted. The investment is likely to have a positive social effect through improved pedestrian amenity and safety.

FINANCIAL CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Have scheme finances been assessed appropriately?

Funding

The proposed funding plan is for £3.815m of SCRIF investment alongside £1.96m match funding as outlined in the table below. The contribution from the City Region represents 66% of the total project cost. It is proposed that SCRIF will fund the majority of the works to the public highway and publicly-owned land:

Source	Value	Status indicated in additional information from SCC
SCRIF	£3,815,000	To be confirmed
Sheffield Hallam University	£400,000	Confirmed
HCA	£140,000	Confirmed
Developer contributions	£815,000	Confirmed subject to implementation of planning approvals
Sheffield City Council	£475,000	In principle agreement
Streets Ahead (Amey)	£30,000	To be confirmed
Others (unidentified SCC funds)	£100,000	Provisional estimate

Non-highways campus public realm works will be fully funded by the University.

The financial proposals for each of the development opportunities are not detailed in the financial case. The status of each proposed investment is outlined below, based on the best available evidence in the business case:

- Sheaf Square – development finance will be subject to securing developer-investor through open marketing.
- Porter Brook (Sidney Street) – it is assumed development finance is guaranteed through the deal to secure preferred developer (CTP). Additional information supplied by the applicant indicates that the developer has commenced detailed design and associated technical works at their own financial risk.
- Digital Campus – it is assumed that development finance has been secured by the developer Scarborough Group and financial backers Hualing. Additional information supplied by the applicant indicates that the development is now on site.
- Site Gallery – the letter of support indicates around £1.1m has already been raised in grants with applications in to raise a further £500k from other charitable trusts.
- Sheffield Hallam University buildings – the investment in the *Institute for Arts* has already been made. It is assumed that the University will fund the development of the Sheaf Street and Science Park sites.

Costs

The total project cost is estimated at £5.775m and a headline elemental cost plan is provided.

Planning and design	£	568,000
Concept design costs	£	125,000
Building acquisition	£	350,000
Construction works	£	3,897,000
Management and administration	£	70,000
Legal fees, marketing, commuted sums	£	260,000
Contingency @ 10%	£	420,000
Optimism bias allowance	£	685,657
Total project cost	***£***	***5,650,000***

The business case indicates that the costs of the highways and public realm works have been developed by the City Council's Capital Delivery team based on RIBA Stage C designs and includes a 10% contingency and 5% optimism bias allowance.

The business case also indicates that building acquisition for the Fitzalan Square project (£350,000) and construction costs for the overall programme (£3.897m) are based on quantity surveyor estimates, although no evidence of the calculations has been provided at this stage.

The Council indicates that it will cover any potential project cost over-runs, effectively mitigating any cost risks for SCRIF.

Cashflow and drawdown

The business case indicates that the majority of the total spending will occur in 2017/18 (£3.0m). The intention is to draw down SCRIF as follows:

- £443,000 of SCRIF in 2016/17;
- £3,000,000 SCRIF in 2017/18;
- £372,000 SCRIF in 2018/19.

Are financial risks managed appropriately?

The business case indicates a number of appropriate measures in place to manage the cost and overspend risks. It states that works will be awarded on a fixed price contract, expenditure will be monitored through standard Council cost control provisions and ultimately any cost over-runs will be met by Sheffield City Council.

The estimated costs of the overall project has been calculated on the basis of a 5% optimism bias, with a project contingency of 10% allowed in cost estimates to meet any unforeseen overruns.

The business case identifies a series of specific cost risks and measures taken to reduce and/or mitigate their likelihood and potential impact including: early dialogue with key third parties including Sheffield Hallam University, the Passenger Transport Executive, and public transport providers; ongoing liaison with statutory undertakers on buried services; and budget allowances for utilities/services works and traffic management requirements.

Has other funding been confirmed or what is the timescale for confirmation?

According to additional information provided by the applicant the following funding sources are unconfirmed, totalling £480,000, or 8% of the total project cost:

- Sheffield City Council - £350,000 agreed in principle by Executive Director of Resources, subject to confirmation from Capital Programme Group and Cabinet;
- Sheffield City Council - £100,000 provisionally budgeted from other departments of the City Council (e.g. Transport); and
- Streets Ahead (Amey) - £30,000 subject to translation of contractual obligations.

In addition, the £815,000 of developer planning contributions are described as confirmed although no indication has been given of how and when these sums (£515,000 and £300,000) are expected to be charged.

Although these sources of match funding do not make up a significant proportion of project finances, it is recommended that the CIAT reviews further details on the expected timescales and processes for confirmation and receipt of these contributions.

MANAGEMENT CASE ASSESSMENT (TO BE COMPLETED BY THE ASSESSOR)

Is there a clear project management and delivery plan?

It appears that appropriate project management and governance arrangements are in place, with the business case stating a Project Working Group has been established including Sheffield Hallam University and SYPTE – with the intention that this becomes the Steering Group for project delivery.

The roles of project sponsor, promoter and manager have been assigned within the City Council, with clear reporting relationships and mechanisms – overseen by the Council's established 'Strong Economy' board.

An outline set of project milestones is included in the commercial case and an outline delivery programme has been provided. These identify the key steps to be taken to meet the targeted construction period between May 2017 and May 2018, including the submission of planning application(s) in August 2016; and procurement and contracting between November 2016 and April 2017.

The business case indicates that some of the highways works will require sequential phasing; and that the Fitzalan Square and station approach (Sheaf Square) works are '*potentially very challenging management areas during construction'*. However, the programme and phasing of the construction period is not yet known and /or detailed in the business case and it is therefore recommended that this is subject to further scrutiny as the project progresses.

The management and maintenance strategy is that areas of the adopted highway are maintained by Amey – the Council's highways partner contractor – whilst SHU land will continue to be maintained by the University.

Are monitoring and evaluation procedures in place?

Monitoring and evaluation is briefly addressed in the business case, which states that the Steering Group will evaluate the project implementation. However, there are no details of particular Key Performance Indicators or a monitoring programme (with resources).

The SCR CIAT team may wish to seek further details in order to ensure that appropriate information will be made available from which to measure the success of their investment.

Are the levels of risk acceptable and capable of being managed?

A detailed risk register has been provided. This highlights a number of risks which were due to be resolved prior to the submission of the Stage 1B Full Business Case, but where no evidence has been provided on the actions taken to mitigate and/or manage to date:

- Potential issues with taxi operators to move rank locations;
- Scope of flood alleviation works to be funded by SCRIF not yet known;
- PTE approval needed for changes to bus laybys; and
- Scope of works, alignment and relationship with Amey on project delivery not yet known.

Other identified risks include:

- HCA agreement required for Sheaf Square project scope and land requirement for taxi waiting area;
- East Midlands Trains / Network Rail agreement required for use of private land and new taxi permit policy.
- Bus operator agreement required to move bus stops and bus routes;
- Unknown cost of commuted sum.

Appropriate management and mitigation actions appear to have been identified for these outstanding risks.

However, the delivery risks associated with the requirement to phase highways works and traffic management interventions do not appear to be addressed in the risk register, despite being identified as a key project risk elsewhere in the business case. In addition, the risk register appears to be at least 6 months out of date, and it is recommended that the CIAT requests and reviews an updated risk register as the project develops.

ASSESSMENT SUMMARY (TO BE COMPLETED BY THE ASSESSOR)

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

The project is a proposed £5.775m investment in four interlinked public realm and highways improvements in the area of Sheffield City Centre immediately to the west and north-west of the railway station. The enhancements will provide high-quality public realm and traffic management designs along the north–south spine linking a number of key city centre locations including the Sheffield Hallam University City Campus, the City's railway station and the Cultural Industries Quarter. Sheffield City Council requires £3.815m to part fund the package – the third to come forward under the Sheffield City Centre SCRIF investment programme.

The project has a **clear strategic economic rationale** based upon its potential to achieve three objectives.

1. Support and enhance the role of Sheffield City Centre as a driver of City Region economic growth.

Sheffield City Centre is identified as one of the City Region's seven spatial priority areas, and SCR strategy and evidence points to the importance of growth in City Centre to the wider economy.

2. Support the growth of Sheffield Hallam University as a key City Region institution.

SHU has continuing plans for growth and an ongoing commitment to capital investment in its City Campus.

3. Catalyse specific private sector development and investment in the City Centre.

Evidence from previous investments and current investment decisions supports the influence of public sector investment in the urban environment in enabling private sector investment.

The project has strong basis in local economic and spatial policy through its inclusion in the **2013 Sheffield City Centre Masterplan.**

The proposed additional benefits of SCRIF grant funding are:

- Accelerated development / occupation of employment sites;
- Maximised scale of new employment development; and
- Higher value-added end users in new commercial property.

The principles behind this rationale appear reasonable, however, this is not fully articulated through the options analysis, which does argue that the full SCRIF investment will give investors the confidence to commit to their investment plans, but otherwise could be more comprehensive.

In addition, it is recommended that the project objectives are revised and reviewed – particularly those relating to SHU development – to ensure that they meet SMART criteria and can be usefully used to measure the success of the proposed SCRIF investment.

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

The business case identifies seven individual development sites and opportunities along the Knowledge Gateway corridor which are expected to be positively influenced by the SCRIF investment in public realm and infrastructure – including SHU sites, the HCA-owned Sheaf Square site and other privately developed sites.

Reasonable evidence has been provided to illustrate the progress of commercial and/or University investment and development proposals for most of the sites. However, there are a number of outstanding commercial risks for which further evidence would provide greater assurance that the scale and timeline of proposed economic outputs can be delivered:

Commercial risk 1 – *The scale of investment by Sheffield City Council (via SCRIF) and the HCA is not sufficient to improve the commercial viability of the Sheaf Square site, such that a developer-investor can be secured in 2016 or 2017*.

Commercial risk 2 – *Property demand is not sufficient from employers in higher-value sectors to secure the occupation of all new commercial space as proposed.*

Commercial risk 3 *– University buildings not developed to the floorspace, timescale and end-use as proposed.*

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

The economic case is founded on a number of **key assumptions** about the link between the SCRIF-funded public realm infrastructure and physical and economic outputs. With SCRIF investment, the economic case within the business case outlines that:

1. The development and/or occupation of certain commercial and university employment sites is accelerated by between 1 and 3 years;
2. The scale of development on two sites is up to 50% greater; and
3. Occupiers can be secured from higher-value-added business sectors.

On the basis of these assumptions, it appears that gross and net economic outputs have been calculated appropriately with job outputs assessed for each of the seven development sites under With and Without SCRIF investment. The applicant estimates that the investment could support **1,638 net additional jobs by 2021** across the seven development sites – generating **£499.4m cumulative net GVA** over the same period.

The SCRIF cost per net additional job as presented in the business case is £2,329 (£3.815m total SCRIF investment / 1,638 net additional jobs). The net GVA per £1 of SCRIF (BCR) is £97.9.

The applicant has rightly acknowledged that it is **unlikely that all of the economic outputs associated with the development of the seven sites can be attributed to SCRIF investment in public realm**. As such a sensitivity analysis is provided:

- 20% benefits attributed to SCRIF - £11,643 per net additional job / BCR 19.6
- 35% benefits attributed to SCRIF - £6,653 per net additional job / BCR 34.3
- 50% benefits attributed to SCRIF - £4,657 per net additional job / BCR 48.9.

This sensitivity analysis suggests that even if only a proportion of the outputs can be attributed to the public realm works, the investment has **potential to achieve very good value for money when compared to established benchmarks** (note GENECON's 2010 Heart of the City Evaluation of Public Realm attributed approximately 30% of job benefits in linked development schemes to the public realm investment).

Accounting for an additional £620,000 public sector investment from the Council and SHU, the project would need to support 155 net additional jobs in order to meet the HCA's 'low' cost per net additional job benchmark of £28,700.

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

The proposed funding plan is for £3.815m of SCRIF funds and £1.96m of match funding from a variety of sources including developer contributions, Sheffield City Council and Sheffield Hallam University. The contribution from the City Region represents 66% of the total project cost. It is proposed that SCRIF will fund the majority of the works to the public highway and publicly-owned land.

It appears that not all sources of match funding are yet secure and therefore it is recommended that the CIAT requests and reviews further details on the expected timescales and processes for confirmation and receipt of these contributions.

The total project cost is estimated at £5.775m and a headline elemental cost plan is provided. The business case indicates that the costs of the highways and public realm works have been developed by the City Council's Capital Delivery team based on RIBA Stage C designs and includes a 10% contingency and 5% optimism bias allowance. The Council indicates that it will cover any potential project cost overruns, effectively mitigating any cost risks for SCRIF.

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

The business case provides reasonable evidence that appropriate project governance, management and delivery arrangements are in place. An outline delivery programme has been provided which identifies the key steps to be taken to meet the targeted construction period between May 2017 and May 2018, including the submission of planning application(s) in August 2016; and procurement and contracting between November 2016 and April 2017.

The business case indicates that some of the highways works will require sequential phasing; and that the Fitzalan Square and station approach (Sheaf Square) works are '*potentially very challenging management areas during construction'.* At this stage the business case does not provide sufficient evidence to provide assurance that this issue will not be a considerable risk to project delivery – and it is not addressed in the risk register provided.

In addition, the risk register appears to be at least 6 months out of date. It is therefore recommended that the CIAT requests and reviews an updated risk register – including specific information about the phasing of works and traffic management approach – as a condition of approval of this Stage 1B Full Business Case.

Summarise your overall assessment of the scheme and recommendations for SCR

The proposal to invest £3.815m of SCRIF in four interlinked public realm and highways enhancements in the 'Knowledge Gateway' area of Sheffield City Centre has a clear strategic rationale and basis in both Sheffield City Council and City Region spatial and economic strategy. The project is a follow on from the Grey to Green Phase 1 and University of Sheffield Campus projects which have already been funded through SCRIF.

The economic rationale for the investment is to support and accelerate investment by the private sector and Sheffield Hallam University by improving the urban environment and demonstrating public sector commitment to the delivery of the 2013 City Centre Masterplan.

As with all public realm projects, it is difficult to evidence direct causality between improved environment and amenity and economic growth. Nevertheless, the applicant has provided a reasonable case to suggest that the SCRIF investment will enable quicker and more valuable investment decisions across seven growth sites. It is hoped that this will stimulate private sector economic activity and support the continued growth of Sheffield Hallam University which has strategic economic benefits at the City Region scale and beyond.

Reasonable evidence has been provided on the progress of commercial and University developments in the Knowledge Gateway area, but there remain some outstanding uncertainties over the deliverability of some of the commercial and economic outputs associated with the SCRIF investment. However, the economic case effectively demonstrates that it is possible to balance these commercial risks against the considerable scale of economic benefits proposed and the relatively modest SCRIF requirement. As a guide to a strong value for money position, only 155 of the 1,638 net additional jobs claimed in the business case would be required to meet the HCA's low end cost-per-job benchmark.

The project appears to be deliverable, and Sheffield City Council has a demonstrable track record in managing public realm and highways capital projects in the City Centre. However, further detail on the status of match funding and effects of phased and sequential traffic management would provide further assurances.

The recommendation is for the £3.815m investment to proceed to Stage 2, on the basis that the applicant will satisfactorily meet the following requirements prior to grant agreement or drawdown:

1. Agreement of a revised set of project objectives between SCR and SCC;
2. Written confirmation that SCC will cover any cost over-runs to ensure project delivery;
3. Provision of an updated statement on the level and timing of £1.42m match funding from SCC including £575,000 from SCC and £815,000 from developer contributions – further clarification on how these sums will be charged will be needed; and
4. Provision of an updated risk register to include satisfactorily outline of the management and mitigation measures for the sequential phasing of deliver and traffic management, particularly around Fitzalan Square and station approach (Sheaf Square), and monitoring plan around key development sites such as Sheaf Square and SHU developments (e.g. Sheaf Square and plans for its Science Park).

Appendix 2

Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Infrastructure	**Strategic Case**	The scheme has a strong strategic case which is based upon the rationale that the link road is essential to enabling the proposed large-scale commercial and residential development which would not be viable without the publicly funded up-front infrastructure. Assuming that economic outputs of significant scale can be achieved, the DN7 project has the potential to support new development of a regional significance.	**Funding**	LGF
Project Name	DN7	**Value for Money**	The SCRIF cost per net additional job is £2,049, but accounting for all public sector investment (i.e. including the £1.2m from DMBC) the figure is £2,223 per job. This would represent exceptional value for money against established benchmarks should the full employment benefits be realised.	**Approval Requested**	Resolution of conditions – noting remaining conditions
Scheme Promoter	Doncaster Metropolitan Borough Council	**Risk**	Required the resolution of outstanding planning issues and the conditions of the LSIF loan (which have not been provided as part of the business case documentation).	**Grant Award**	£14.1m Capital LGF
SCR Funding	£14.1m			**Grant Recipient**	Doncaster Metropolitan Borough Council
Total Scheme Cost	£15.3m	**State Aid**	Neutral	**Payment Basis**	Defray in arrears
% SCR allocation	92%	**Delivery**	The Council has an established project governance hierarchy in place to oversee the delivery of the entire DN7 initiative. The project governance plan outlines the relationships and responsibilities of the individuals and groups involved in the governance, management and delivery of the project. A clear structure for reporting and responsibility is in place, and dedicated project manager has been appointed by the Council with a clear co-ordination and delivery remit.	**Claw Back Clauses**	None – but not that effective delivery will result in part of the Grant returning to SCR.

Description	Conditions of Award
The DN7 project comprises 200ha of mixed use development of a scale that could have significant regional benefits – specifically contributing over 7,000 jobs and 3,100 housing units to the objectives of the SCR Strategic Economic Plan. The Hatfield Link is needed to enable the DN7 regeneration project to commence. The only access into the DN7 site from the strategic network will be from the M18 junction. In effect the DN7 developments are land locked and dependent upon early delivery of the link.	Required the resolution of outstanding planning issues (Condition 2) and the provision of written evidence of the conditions of the LSIF loan (Condition 4).

Conditions resolved
<u>***Condition 1:*** A strengthened Full Business Case referencing issues and evidence drawn out in the appraisal, but not yet referred to in the business case (e.g. AECOM report, Marcol Waystone joint venture proposals)</u> See appendix for summary <u>***Condition 3:*** Sharing with SCR (when complete) of DTZ's scrutiny report on the commercial viability of the DN7 proposals</u> See appendix for summary <u>***Condition 5:*** Clarification on the responsibility for meeting cost overruns beyond the £15.3m estimate for the Link Road</u> See appendix for summary <u>***Condition 6*****:** Clarification on the mechanism proposed for the repayment of £3.5m SCRIF funding allocated to Sheffield City Region</u> SCR and DMBC finance and legal to confirm a practical form of words to reflect the approach within the funding agreement

Appendix 2

Record of Approvals - DN7					
Appraisal Panel		Executive Board		CA	
Date of Meeting	05/07/2016	Date of Meeting	15/07/2016	Date of Meeting	01/08/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	SCR Officer Presenting Paper	David Allatt	SCR Officer Presenting Paper	
Signature	Melanie Dei Rossi	Signature		Signature	
Approving Officer	Gareth Sutton	Approving Officer		Approving Officer	
Signature	G Sutton	Signature		Signature	
Date	06/07/16	Date		Date	

Project Dashboard (Infra)

SCR Office Use Only - Perfomance Team Assessment	Amber

Project Details	Name	Number	Promoter	Sponsor	Manager
	DN7 Unity - Hatfield Link Road	0	Doncaster MBC	Neil Firth - Head of Service Major Projects and Investment	Steve Shannon - Strategic Infrastructure Manager

Reporting Period	Q4 Jan 16 - Mar 16	Objectives	Current	Green	Trend	0		
% Complete	21%		Last	Green				

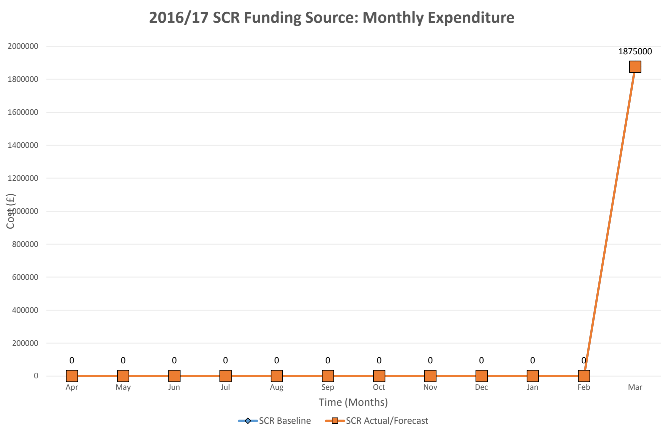
Overall Project Status	Current	Green	Trend	↔
	Last	Green		

Time — Red

Green	Amber	↓
LAST	CURRENT	Trend

Current Milestone Variation (Days)	-153

Cost — Green



Quality — Green

Change Requests

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

Issues — Red

Escalate?

Risks — Red

Escalate?

Sheffield City Region Investment Fund

DN7 Unity project: Revised Stage 1B Full Business Case

Summary of responses to proposed conditions of grant funding

Note on material changes to the SCRIF requirement and repayment proposal

The original SCRIF requirement was for £14.1m, with a proposal for £3.5m to be repaid by the developer upon completion. The revised business case now indicates that the SCRIF requirement is £12.545m. This change has been confirmed by the applicant, although the figure of £14.1m still appears in places in the business case. It is now proposed that a sum of £1.39m will be repaid by the developer to Doncaster MBC – expected to be formalised in Heads of Terms to be approved by the Council's cabinet in December 2016 to be repaid by 2025. Subject to the subsequent repayment from DMBC to SCR, this would effectively reduce the SCRIF grant to £11.155m.

Condition 1: A strengthened Full Business Case referencing issues and evidence drawn out in the appraisal, but not yet referred to in the business case (e.g. AECOM report, Marcol Waystone joint venture proposals)

The applicant has provided a revised business case which provides clarifications and updates on details and issues raised in the original appraisal, including:

- Updated details on the status of planning permissions;
- An updated and extended schedule of commercial property enquiries;
- Details of Marcol Waystone's financial obligations to DMBC and the HCA;
- Details of draft Heads of Terms agreed between DMBC and Marcol Waystone for developer contributions, beyond the proposed Section 106 agreement.

Regarding the developer's contributions, the revised business case now states that:

> *Marcol Waystone will have separate financial obligations to:*
>
> *a) repay the LSIF loan to HCA*
>
> *b) pay DMBC £1.39m via a separate funding agreement*
>
> *c) contribute to normal s106 requirements (eg social housing)*
>
> *the payments are not linked or dependent upon each other. Marcol Waystone have undertaken a viability appraisal which will confirm that such payments are affordable, which will determine the level of s106 funds available to the Council. It is noted that the principles of these payments has been raised with Waystone and given the scale of the investment are not considered unreasonable.*

Condition 2: Confirmation that outline planning permission has been granted for the wider DN7 opportunity, and clearance of any matters reserved under the detailed 2009 consent for the Link Road

The revised business case provides updates regarding the planning status of both the wider DN7 development and the specific consent for the link road:

a) An outline planning application was submitted for the remaining unconsented parts of the DN7 masterplan area in May 2015 (comprising residential development (3,100 units), community facilities, industrial and logistical development, commercial development and a local centre with associated infrastructure). The application received a favourable majority support at Planning Committee on 15th December 2015 subject to the signing of a S106 (due to be finalised

July/August 2016) and conditions, one of which limits the number of dwellings provided to a total of 540 units and 30,000m² of B1 employment floorspace prior to the completion of the link road.

Therefore planning permission appears to have been agreed in principle, but not yet granted, until the S106 Agreement is finalised.

b) A Certificate of Lawful Development was obtained in 2014 which allowed the 2009 planning permission for the 'Power Park' to remain live and the construction of the link road, subject to 3 conditions relating to satisfactorily submitting design and construction access details to the local planning authority and the Secretary of State for Transport.

The revised business case indicates that detailed designs will be submitted in September 2016 which will meet these requirements. The matters reserved and / or conditions of the planning approval have not yet been discharged. Further assurance could be provided with details of how DfT approval is expected to be achieved.

Condition 3: Sharing with SCR (when complete) of DTZ's scrutiny report on the commercial viability of the DN7 proposals

The applicant has provided a draft report *Unity Viability Assessment* (October 2015), prepared by Cushman and Wakefield (formerly DTZ) which provides an independent review of Marcol Waystone's viability assessments which have been used to inform the commercial and financial cases for SCRIF investment and the negotiation of the S106 agreement with DMBC. This report concludes that the proposed Unity DN7 masterplan development is financially viable, based upon the best available evidence. The base appraisal includes planning obligations as development costs including a £3.5m contribution to the link road, and highways and education contributions. This indicates that using a fixed profit on cost of 20% the project could achieve an internal rate of return of 33%.

Condition 4: Confirmation that LSIF funding (or other) has been secured by Waystone enabling investment to proceed in preparing initial residential development platforms for disposal and that funding for preparing initial commercial development platforms has also been secured (from development partner Marcol or other source)

The revised business case states that the £8m LSIF loan has been *'approved subject to normal commercial conditions'. Among those conditions is full approval of the SCRIF investment, land assembly arrangements and the conclusion of all relevant planning matters (i.e. decision notice, etc.).'*

Condition 5: Clarification on the responsibility for meeting cost overruns beyond the £15.3m estimate for the Link Road

The revised business case states: '*Any cost overruns will be at the risk of DMBC and therefore no additional SCRIF funding will be sought. The process highlighted above will help to manage this process and mitigate any potential cost increases.'*

Condition 6**:** Clarification on the mechanism proposed for the repayment of £3.5m SCRIF funding allocated to Sheffield City Region

The revised business case indicates that it is now intended that only £1.39m is repaid to SCRIF from the developer via Doncaster MBC, in line with the reduced SCRIF requirement of £12.545m. This payment will be made by 2025 as per the draft Heads of Terms agreed between Marcol Waystone and Doncaster MBC.

The draft HoT agreement with Doncaster has a mixed payment contribution of the following:

- *Schedule 1 :contribution in kind of £254,563 as past preliminary work provided by Scott Wilson, considered as a past cost in 14/15 financial year*
- *Schedule 2: Dedication of all necessary land to enable the scheme to be constructed by DMBC. The value of the land will be based on current (agricultural) land use classification times 1.5 – estimated at £550,000 and will be made in the 2016/17 financial year*
- *Schedule 3: Fill material for embankment construction valued at £1.5m provided in the 2017/18 financial year*
- *Schedule 4: Repayment of the outstanding balance of £1,390,000 by 2025. The upfront costs for the developer in progressing the development of the site in phases are such that the repayment to SCRIF is not affordable until 2025. At this stage the repayment will be made to DMBC who will then make the repayment back to SCRIF.*

The HoT will be translated into a funding agreement which will be reported to DMBC Cabinet in December 2016. At this stage we have not treated the above as confirmed funding and as such retain requirement for £12,545,000 from SCRIF to cover construction. Upon confirmation of the timescale for the developer to repay £1,390,000 back to SCRIF in 2025 then the final value of SCRIF grant will be £11,155,000.

Condition 7: A more complete timetable is provided including procurement timetable, itemised key tasks and delivery milestones

The revised business case includes an updated headline timetable, alongside a new procurement timetable as follows:

Planning consents	Link Road planning consent granted 2009, certificate of lawfulness issued 2014, Unity development granted outline Planning December 2015
CPOs	Autumn 2016 without objections. If objections submitted and Public Inquiry needed timescales adjusted by 12months to Autumn 2017. (see attached Programme)
Public consultation	Completed 2009 as part of the original application and again for the Unity Outline application in Sept 2015.
Public Inquiry	Spring/Summer 2017 if required
Traffic Regulation Orders	Autumn 2016
Transport and Works Act	n/a
Public sector match funding	Full Council approval February 2014
Private sector match funding	Summer 2016 Highways Agreement
Procurement contracts	Summer 2016 following SCRIF approval of conditions.

Project Task	**Start Date**	**End Date**
Early Contractor Involvement	June 2016	September 2016
Document and Drawing completion	March 2016	September 2016
Develop Target Cost	October 2016	November 2016
Cabinet Forward Plan	July 2016	September 2016

Cabinet Approval	September 2016	November 2016
SCRIF Stage 2 Approval	August 2016	November 2016
SCRIF Stage 3 Approval	December 2016	January 2017
Contract Award Letter	January 2017	January 2017
Contract Start Date	March 2017	March 2018

It would be expected that a detailed project delivery time and resource plan would be produced as part of the contract negotiations, and this should be provided to the CIAT for review in due course.

Summary

The applicant has provided a strengthened and updated business case, alongside further evidence of the financial viability of the DN7 masterplan proposals, upon which the projected economic outputs from the link road are reliant.

The business case appears to address the conditions outlined in the original appraisal, as best as possible, given the current stage of development, with fully satisfactory responses to conditions 1, 3, 5, 6 and 7. Outstanding risks relating to conditions 2 and 4 are as follows:

- Outline planning permission for the DN7 Unity masterplan has been agreed in principle, but has not yet been granted, subject to the completion of the Section 106 agreement, due in July/August 2016. It is not clear what level of commercial risk is associated with the completion Section 106 agreement, and further details could be provided for additional assurance.
- The LSIF loan from the HCA appears to have been agreed in principle subject to 'normal commercial conditions'. The LSIF loan is a key part of the financial package, and is contingent upon both the approval of the SCRIF grant for the link road, and the provision of a decision notice on the planning permission. As such, this risk may not be resolved until planning is granted.

It is therefore recommended that the project should proceed to grant agreement, subject to the resolution of outstanding planning issues and the provision of written evidence of the conditions of the LSIF loan.

Appendix 4

Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Infrastructure	**Strategic Case**	This is a well-presented business case for a project which has a good strategic rationale to invest in the refurbishment of office and retail property in Doncaster town centre; to support the wider regeneration and economic growth of Doncaster town centre, increase the supply of Grade A offices and safeguard retail employment in the town – with a strong indication that the building's two anchor retail tenants will close in 2018 without the investment.	**Funding**	LGF
Project Name	Colonnades	**Value for Money**	On the basis that all of the retail jobs can be attributed to the investment, the project has the potential to deliver good value for money in cost per job terms when compared to the HCA 'low' benchmark for gross public sector cost per net additional job of £28,700. However, should the project only deliver safeguarded employment in the two anchor stores, there is a risk that the investment will only support marginal value for money in cost per job terms – with the figure of £53,411 slightly above the HCA's 'high' benchmark of £51,000 (HCA Cost Per Job Guidance, 2015).	**Approval Requested**	Full Award – noting conditions
Scheme Promoter	Doncaster Metropolitan Borough Council	**Risk**	Further details have been provided on the planned strategy for securing occupiers for the office building, and DMBC's target to secure pre-lets by December 2016. However, until any agreements are reached, uncertain levels of occupier demand remain a residual commercial risk.	**Grant Award**	£2.28m Capital LGF
SCR Funding	£2.28m			**Grant Recipient**	Doncaster Metropolitan Borough Council
Total Scheme Cost	£3.3m	**State Aid**	Neutral	**Payment Basis**	Defray in arrears
% SCR allocation	70%	**Delivery**	The project will be governed and managed according to established procedures within DMBC, which seem appropriate and follow public sector best practice. DMBC have identified appropriate management activities for the risks, for example active property marketing, but do acknowledge that the risk management is not failsafe. As such, any potential investment decision by the SCR must be made with on the basis of a reasonable risk that at least some of the proposed outputs may not be achieved.	**Claw Back Clauses**	No

Description	Conditions of Award
Doncaster Metropolitan Borough Council (DMBC) is applying for £2.28m of SCRIF investment to part fund the refurbishment of the Colonnades building which consists of a total of 15 retail units stretched across the ground floor and some first floor (2,081m2) and five floors of offices (3,065m2). The total project cost is estimated at £3.3m with DMBC to provide £1.05m in match funding to cover items which would be considered as essential maintenance. The building is located in Doncaster town centre, with the ground floor covered retail area forming a pedestrian route between the civic and cultural quarter to the south-east and the main retail area and railway station to the north and west.	SCR LGF funds to be defrayed against the uplift of an economic asset. Maintenance costs cannot be met through SCRIF.

Record of Approvals – Doncaster Urban Centre - Colonnades					
Appraisal Panel		**Executive Board**		**CA**	
Date of Meeting	05/07/2016	**Date of Meeting**	15/07/2016	**Date of Meeting**	01/08/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	**SCR Officer Presenting Paper**	David Allatt	**SCR Officer Presenting Paper**	
Signature	Melanie Dei Rossi	**Signature**		**Signature**	
Approving Officer	Gareth Sutton	**Approving Officer**		**Approving Officer**	
Signature	[illegible]	**Signature**		**Signature**	
Date	06/07/16	**Date**		**Date**	

Sheffield City Region

Project Dashboard (Infra)

SCR Office Use Only - Perfomance Team Assessment	Green

Project Details	Name	Number	Promoter	Sponsor	Manager
	Doncaster Urban Centre - Colonnades	0	Doncaster MBC	Neil Firth	Steve Shannon

Reporting Period	Q4 Jan 16 - Mar 16
% Complete	16%

Objectives			Trend
Current			0
Last			

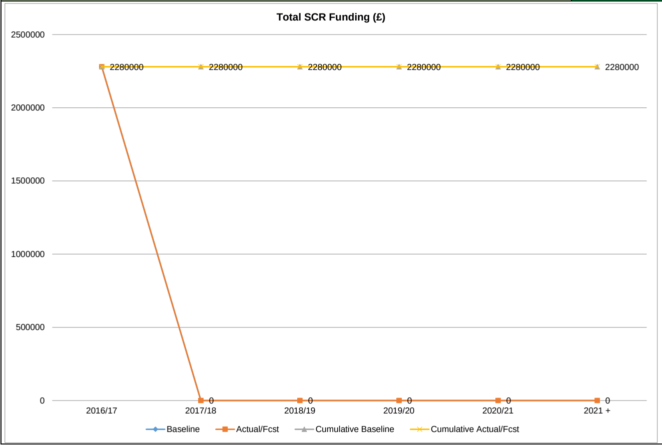
Overall Project Status		Trend
Current	Green	↔
Last	Green	

Time — Red

Green	Green	↔
LAST	CURRENT	Trend

Current Milestone variation (days)	-152

Cost — Green



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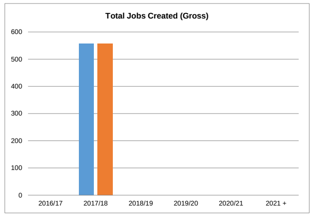

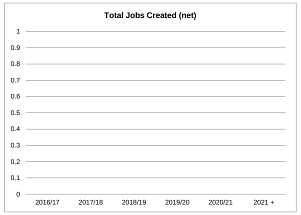

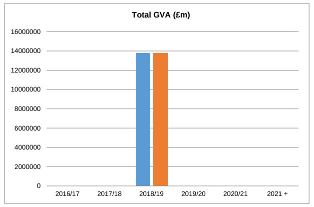

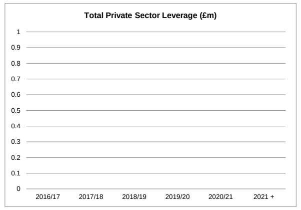

Change Requests

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

Issues

Escalate?

Risks — Amber

Escalate?

Sheffield City Region Investment Fund

Colonnades: Revised Stage 1B Full Business Case

Summary of responses to proposed project requirements

Requirement 1: Provide a detailed itemised schedule of the proposed refurbishment / modernisation works, and how the £1.05m of proposed maintenance works to be funded by DMBC will dove-tail with these

The applicant has provided an itemised cost schedule prepared by Kier which indicates the total scheme cost net of VAT at £3.31m. The cost schedule does not differentiate between items deemed to be required maintenance (funded by DMBC) and those required to bring the offices up to a marketable standard (funded by SCRIF).

Requirement 2: Provide further information on the proposed process for securing the public sector tenancy, and/or the ongoing strategy for securing other occupiers for the office space

The revised business case provides further detail on the proposed strategy for securing public sector tenancies and other occupiers for the office space.

DMBC's Interim Project Director for Assets and Rationalisation, Oliver Judge, has been identified as the lead individual responsible for securing public sector tenancies. Active discussions are under way through the Doncaster Health Assets Board, with one health organisation identified as a potential occupant.

The business case indicates that The Children's Trust will also continue to occupy the part of the ground floor and has interest in possibly occupying a further one or two floors. The intention is for commercial marketing to commence in August 2016 with the target to agree pre-lets with tenants by December 2016.

Requirement 3: Provide confirmation of DMBC's matched investment, and / or information on the approval process and how the £1.05m has been budgeted within DMBC;

The revised business case states that: '*DMBC's matched investment of £1,050,000 is included in the Council's Capital Funding Programme, approved by the Full Council on 1st March 2016 as part of the budget setting process.'*

Requirement 4: Provide clarification that DMBC will be committed to funding a package of incentives necessary to secure the renewal of the two anchor tenant leases in 2018 as recommended by Bilfinger GVA

The revised business case provides further details of the Council's negotiations and planned incentives for the two anchor tenants to remain in the Colonnades centre on the basis of the proposed refurbishment. An agreement has been reached with Home Bargains for a five year lease renewal from 2018 with a significant rent discount incentive. A similar proposal has been made to Poundland, and the revised business case states that the Council has a '*positive expectation'* that the terms will be accepted.

Requirement 5: Provide confirmation within the funding agreement that DMBC will cover any cost over-runs and there will be no additional call on SCRIF resources in the event of cost over-runs

The revised financial case provides confirmation as follows: '*There will be no further call on SCRIF funds as DMBC will cover any cost over-runs, which the Funding Agreement will confirm.'*

Requirement 6: Clarification that the two retail anchor tenants (Poundland and Home Bargains) have been consulted over the modernisation proposals for the retail area, and that confirmation has been gained from them that there is a positive expectation that they will renew their leases in 2018 if the refurbishment works proceed.

As per the response to requirement 4, the revised business case indicates that lease renewal incentives have been offered to both tenants, with agreement from one (Home Bargains) and a positive expectation of agreement form the other (Poundland). In addition, the revised business case outlines the ongoing process of consultation with the anchor tenants, and the wider business community, over the proposals.

Summary

The applicant has provided a revised business case with further details and clarifications on the issues raised in the original appraisal, alongside further evidence of cost schedule for the proposed works

The business case appears to address the requirements outlined in the original appraisal, as best as possible, given the current stage of development, with fully satisfactory responses to conditions 3, 4, 5 and 6. Outstanding risks relating to conditions 1 and 2 are as follows:

- The cost schedule provided now matches the indicative project costs outlined in the business case. The originally proposed rationale for SCRIF investment is that DMBC's £1.05m investment would only cover essential maintenance works, whilst the SCRIF investment is needed to refurbish the building to a commercially marketable standard and therefore deliver economic outputs. The cost schedule provided however does not differentiate between these elements of work, and therefore it is still not possible to fully verify this rationale.
- Further details have been provided on the planned strategy for securing occupiers for the office building, and DMBC's target to secure pre-lets by December 2016. However, until any agreements are reached, uncertain levels of occupier demand remain a residual commercial risk, and therefore a risk to the full scale of economic outputs associated with the proposed investment.

It appears that these two outstanding issues are unlikely to be fully resolved through the application of further conditions prior to grant agreement. As such they must be acknowledged and accepted as risks by the Investment Board in order to proceed to grant agreement.

Appendix 2

Scheme Details		Appraisal Panel Comments		Recommendations / Conditions	
SCR Executive Board	Infrastructure	**Strategic Case**	The SCRIF investment part of a wider programme of capital investment in the Civic and Creative Quarter that has been led by DMBC and Muse Developments, the first phase of which has included the Cast Theatre, the Sir Nigel Gresley civic square and the new council offices (construction started 2010, completed 2013). This cinema and restaurant project now offers the opportunity to continue the momentum that has been built up to support regeneration and economic growth in Doncaster town centre.	**Funding**	LGF
Project Name	Civic and Creative Quarter	**Value for Money**	Based on evidence that the investment delivers between 95 and 103 net additional jobs in the new cinema and restaurant units, the value for money of the SCRIF investment of £635,000 will vary between £6,154 and £6,689 per net additional job. The investment in cost per jobs terms therefore has the potential to deliver very good value for money	**Approval Requested**	Full Award – noting conditions
Scheme Promoter	Doncaster Metropolitan Borough Council	**Risk**	The commercial risk remains with securing the operators for the site. However Muse are at an advanced stage of the pre-development process and in terms of the restaurant operators, Muse are understood to be at an advanced stage of negotiations with national chains.	**Grant Award**	£635,000 Capital LGF
SCR Funding	£0.635m			**Grant Recipient**	Doncaster Metropolitan Borough Council
Total Scheme Cost	£7.3m	**State Aid**	Neutral	**Payment Basis**	Defray in arrears
% SCR allocation	9%	**Delivery**	The project will be governed and managed according to established procedures within DMBC, which seem appropriate and follow public sector best practice	**Claw Back Clauses**	No

Description	Conditions of Award
Doncaster Metropolitan Borough Council (DMBC) is applying for £635,000 of SCRIF investment to part fund public realm works associated with the development of a new cinema (6 screens) and terrace of family restaurants (4 units) on a plot adjacent to the Cast Theatre (completed in 2013) in the Civic and Cultural Quarter of Doncaster town centre. This £7.3m scheme (excluding SCRIF) is being brought forward by Muse Developments.	SCR and DMBC to agree a mechanism to ensure any savings in the scheme are shared with SCR. Reflecting the issue highlighted by Genecon in their appraisal.

Record of Approvals – Doncaster Urban Centre - CCQ					
Appraisal Panel		**Executive Board**		**CA**	
Date of Meeting	05/07/2016	**Date of Meeting**	15/07/2016	**Date of Meeting**	01/08/2016
SCR Officer Presenting Paper	Melanie Dei Rossi	**SCR Officer Presenting Paper**	David Allatt	**SCR Officer Presenting Paper**	
Signature	Melanie Dei Rossi	**Signature**		**Signature**	
Approving Officer	Gareth Sutton	**Approving Officer**		**Approving Officer**	
Signature	GRSutton	**Signature**		**Signature**	
Date	05/07/2016	**Date**		**Date**	

Sheffield City Region

Project Dashboard (Infra)

SCR Office Use Only - Perfomance Team Assessment	Green

Project Details	Name	Number	Promoter	Sponsor	Manager
	Doncaster Urban Centre - The Civic & Cultural Quarter (CCQ)	0	Doncaster MBC	Neil Firth	Steve Shannon

Reporting Period	Q4 Jan 16 - Mar 16	Objectives	Current		Trend	0
% Complete	16%		Last			

Overall Project Status			
Current	Green	Trend	↔
Last	Green		

Time — Red

Green	Green	↔
LAST	CURRENT	Trend

Milestone variation (combined days)	-61

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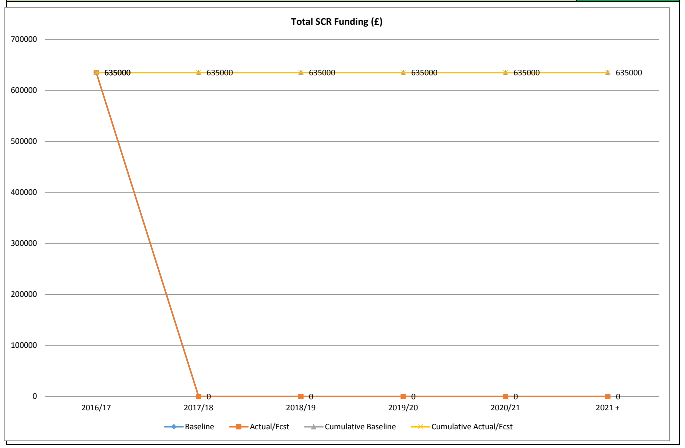
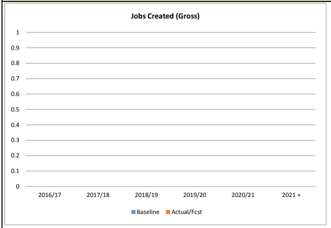
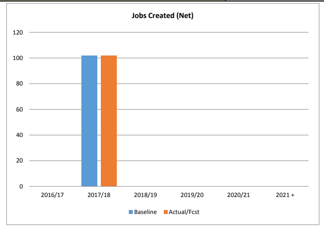
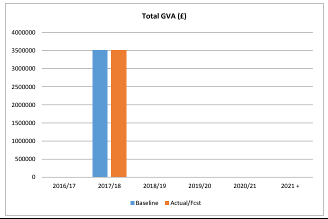
Cost — Green

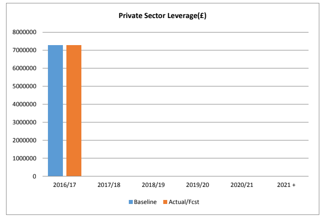


Quality









Change Requests

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

Issues

Escalate?

Risks

Escalate?

Sheffield City Region Investment Fund

CCQ: Revised Stage 1B Full Business Case

Summary of responses to proposed conditions of grant funding

Condition 1: In the event of either cost over-run or end values not achieving Muse's appraisal projections, there will be no further call on SCRIF funds

The revised business case states that there will be no additional call for SCRIF funds.

Condition 2: Inclusion of details of value of the incentives for the cinema and restaurants; update reports will need to be provided on the actual sums expended

The original SCRIF 1B appraisal report identified the issue of the offer of occupier incentives, included as costs in the developer's financial viability appraisal, and therefore determining the extent of the viability gap identified for SCRIF investment in public realm. Further details have been provided and the applicant has agreed to provide update reports on the individual lease agreements for the restaurant units.

Cinema 'shortfall payment': The revised business case provides further detail on the rationale and structure of the incentive to the cinema operator, now referred to as a 'shortfall' contribution payable by Muse to Savoy Cinemas under the agreement between the developer and owner-operator. It indicates that Savoy has calculated a maximum payable price of £3.15m based on its market demand due diligence and the achievement of a satisfactory commercial profit. Therefore the construction cost is greater than the agreed sale price. As such, the developer will make a shortfall payment as outlined in

> *The Heads of Terms agreed with Savoy Cinemas also includes a shortfall payment by Muse of £800k towards the operator's 'direct items'. This includes the provision of seating to the 6 cinema auditoria and sound/projection equipment to each of the screens. This level of incentive is in line with the incentives required by cinema operators on other recently delivered leisure schemes in the north of England, the majority of which are in the region of £1m. The £800k is not actually an incentive, it is a shortfall that Muse will take over a maximum commitment that Savoy is prepared to pay and will not change going forward.*

the revised business case:

Restaurant operator incentives:

Marketing incentives for the restaurant units have also been included as costs in the developer's financial modelling. The revised business case provides further detail, as follows:

> *Incentive sums for the A3 restaurant units include a 12 month incentive package assumed to be equivalent in value to c. 12 month's rent (c. £350k) although this will likely change as and when individual deals are agreed with occupiers / operators. Update reports (with evidence) will be provided once individual agreement for leases are exchanged.*
>
> *A 6 month rent free period (c. £177k) has been assumed as a further incentive to the operators. Once agreed this will ultimately become a cost as it will need to be netted off the capitalised income figure once the investment is sold to an investor. As above this will likely change as and when individual deals are agreed with occupiers / operators. Update reports (with evidence) will be provided once individual agreement for leases are exchanged.*

Condition 3: If any of the incentive costs come in less than the sums allowed then a clawback clause is included that would refund to SCR any saving made against the cinema and restaurant incentives sums included in Muse's financial appraisal.

The original Stage 1B appraisal report highlighted the possibility that the full value of the occupier incentives may not be required to secure leases, and therefore suggested that any saving on the incentives offered could be repaid to the SCRIF.

The revised business case indicates that the £800,000 cinema shortfall payment is contractually agreed and will not change in future. It also states that a Development Agreement between Muse Developments Ltd and Doncaster MBC (dated 23rd April 2009) provides for the developer to make a blended profit on cost of 10.65%.

The revised business case suggests the following arrangement for potential claw back agreement:

Any savings made that increase the profit on cost to a level that exceeds 10.65% could be subject to claw back through a clause within the SCRIF Funding Agreement (between DMBC and Sheffield City Region) and formally documented within a supporting "side letter" to the Development Agreement (between DMBC and Muse Development Ltd).

This clause is not regarded as the optimal approach for the SCR, as the overall development profit margin will be drawn against a wider set of costs than those specifically related to the occupier incentives. If the full cost of the occupier incentives is ultimately not required, it is still considered that this should be repayable to SCRIF.

Condition 4: 4. Completion of a full risk register.

A full risk register has been provided along with the revised business case. This identifies a range of project delivery risks, of which eight are considered to be 'closed' i.e. have been effectively managed and/or mitigated through the project development. Of the eleven remaining ongoing risks, only one is rated as a 'high risk' – the failure to secure lettings of the commercial premises (likelihood: 2; impact 3). The risk register indicates that tenants are being sought for the restaurant units – whilst evidence in the original business case indicated that the developer's agents Jones Lang LaSalle had approached over 70 operators.

Summary

The applicant has provided a revised business case with further details and clarifications on the issues raised in the original appraisal, alongside the requested full risk register.

The revised business case appears to address most of the requirements outlined in the original appraisal with satisfactory responses to conditions 1, 2, and 4.

The outstanding issue with the proposed investment remains the inclusion of commercial incentives (condition 3) as costs in the developer's financial modelling (which has in effect resulted in the need for gap funding) and that it seems reasonable to clawback SCRIF against these sums if they are not fully expended against. Muse have proposed to broaden out the clawback clause, not relating specifically to the incentives themselves, but suggesting that clawback only occurs if savings against these sums result in a developer return above 10.65% profit on cost. The potential difficulty is that increased costs on other aspects of the development within Muse control could be used to offset any savings made against the incentive sums.

It is recommended that the project should only proceed to grant agreement on condition that a clawback mechanism is formally agreed which guarantees satisfactory value for SCRIF investment. GENECON's recommendation is that this should relate directly to whether the full incentive costs are expended, but SCR may wish to accept Muse's proposal to broaden the clause.

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 JULY 2016

CLAYWHEELS LANE SUSTAINABLE INDUSTRY PARK

SHEFFIELD SCHEME REFINEMENT

Summary

- **This paper presents an update to the SCR Infrastructure Fund (SCRIF) on the Claywheels Lane project, promoted by Sheffield City Council. The changes are to a large extent a result of shifts in the wider economy and changes to Government policy on renewables.**

- **The specific planned outcomes of the project have changed since the project was originally approved as part of the SCRIF programme. Though reduced, the forecast GVA outcomes of the project appear to remain good value for money and early deliverability has improved.**

- **The promoter ask of SCR reduces from £4.63m to £4.4m to fund enabling works (transport and power). The promoter forecasts a reduction in the GVA outcome against the originally approved proposals from £146.6m to £117.2m.**

- **SCR is asked to:**

    - **Note the changes to the proposal and endorse the resubmission of the Full Business Case. This would be subject to a CIAT review.**

    - **Endorse the principle of SCR commencing discussions with the promoter regarding the likely Funding Agreement conditions.**

1. **Issue**

1.1. The Claywheels Lane Sustainable Industries Park (CSI) formed a component of the Upper Don Programme for which an Outline Business Case was approved in June 2015. The park aims to bring together companies in the renewable energy sector, (particularly generating energy and other fuels from waste) with a major industrial energy user – a high specification steel forge - in an innovative way.

1.2. In January 2016 a Full Business Case was approved for the CSI element. Since January project development has progressed and a number of occupiers in both the target industry sectors have been identified and in some cases committed but at the same time developments in the world economy and in the UK Government's subsidy arrangements for renewables have affected the projected timescales, investment and job outcomes.

2. Recommendations

2.1. The IEB is asked to:

- Note the changes to the proposal and endorse the resubmission of the Full Business Case - this would be subject to a CIAT review.

- Endorse the principle of SCR commencing discussions with the promoter regarding the likely Funding Agreement conditions.

3. Background Information

The Scheme

3.1. The scheme comprises the reclamation and servicing of a 43 acre site as a Sustainable Industries Park targeted at the heavier end of recycling and energy from waste together with major users of energy such as steel manufacture.

3.2. The site is located on Claywheels Lane a 2km cul de sac accessible only from its junction with Penistone Rd and comprises two parts: the larger Beeley Wood brownfield site (formerly Union Carbide) and an adjacent undeveloped field (Air Flow site). The whole site was purchased by the current owners Upper Don Regeneration Beeley Wood Ltd (UDR) in 2004 and had been derelict for some 20 years before.

3.3. The site already has two tenants carrying out waste recycling using generators for power– Ballast Phoenix (furnace bottom ash) and WRD (food waste) but further expansion or development is unlikely due to lack of mains electric or gas supply and poor environment and accessibility. In particular the estate road layout is rudimentary and access to public transport and for cycling and walking for those working on site are very poor.

3.4. In order to make the site suitable for new employment uses it requires a complete new electric power connection with substations and a new gas supply with the potential to export as well as import. The site, though not heavily contaminated, requires demolition and clearance and the establishment of a new access road network. A new pedestrian/cycle bridge will open up a direct and adoptable connection to the tram and bus interchange at Middlewood as well as forming a key link in the long distance cycle route from Stocksbridge to Sheffield.

3.5. The approved scheme comprised the following elements:

Demolition/reclamation	£1,425,000
Highways	£2,362,500
Services	£1,731,250
Drainage	£1,000,000
Access walking/cycling/public transport	£1,368,019
Total	**£7,886,769**
SCRIF	**£4,627,394**

Proposed Update

3.6. **Appendix A** details the site opportunities and potential occupiers. If those investments are delivered there will be only a small area of land remaining for further development.

3.7. The updated proposals are for a site that both offers value for money and a strong GVA as well as contributing to SCR's sustainability agenda, creating globally significant circular-economy best practice in keeping with the emerging Integrated Infrastructure Plan.

Assessing Benefits

3.8. In the approved business case the modelling assumed there would be more land available for unspecified general industrial use with higher job generation than is envisaged with the sustainable and ground-breaking technologies. The greater success in attracting new renewable technology business to the site (as detailed in Appendix A) should be seen as a positive development by bringing the site back into full economic use in a growing and high skill area but, by nature of the technologies and processes they will produce less jobs than traditional general industry, although with higher skill levels and wages.

3.9. This is reflected in UDR's latest projections below giving a lower job creation estimate assuming renewable technologies fully occupying the site – compared to the higher figure included in the original application with some sites occupied by general industry The profile now presented is a conservative indicator of the outcomes which could therefore exceed the figures forecast.

3.10. To match the revised third party investment profile, it will be necessary to change the SCRIF funding profile, with a first phase commencing in 2016 (subject to approval) and a further phase commencing 2019 to ensure full spend within the current funding window.

3.11. The refinement scheme comprises the following elements:

Demolition/reclamation	£1,712,500
Highways	£2,187,500
Services	£1,610,000
Drainage	£650,000
Access walking/cycling/public transport	£1,368,019
Total	**£7,528,019**
SCRIF	**£4,448,020**

3.12. The proposed refinement of the project will result in the changes set out below:

Benefits Unlocked	***Approved Full Business Case***	***Proposed Refinement***
Direct Private Investment	£16,000,000	£16,000,000
Derelict Land Reclaimed	37 acres	37 acres
Woodland Managed	6 acres	6 acres
New Industrial Floorspace	39,694 sq m	43,552 sq m
Direct Match	£3,259,375	£3,080,000
SCRIF contribution	£4,627,394	£4,448,020
Total Private Investment	£91,785,496	£76,774,052
Jobs Protected	27	27
Jobs created (permanent)	554	216
Jobs created (Construction)	1,673	1,321
Connectivity to sustainable transport	Enhanced for all employees	Enhanced – no change
Investment in Buildings and Plant	£96,412,890	£81,222,071
Total GVA	£146,626,228	£117,195,114
SCRIF Contribution	**£4,627,394**	**£4,448,019**

3.13. The proposed re-phasing of investment will be as follows:

Investment	*Phase 1 2017-19*		*Phase 2 2019-21*		*Total*
	Direct	*Indirect*	*Direct*	*Indirect*	
UDR	1,862,500		3,312,500		5,175,000
Abbey	13,430,000		3,120,000		16,550,000
Raw Energy		10,000,000			10,000,000
Earthworm		10,000,000			10,000,000
Klean/General Industry				35,000,000	35,000,000
Total	15,292,000	23,120,000	3,312,500	35,000,000	76,725,000
SCRIF	**2,791,769**		**1,656,250**		**4,448,019**

4. Implications

Financial

The SCRIF contribution is reduced by £179,375. Total projected private investment is reduced by £18m but direct private investment is increased. Direct match remains as before but phased along with the SCRIF contribution and with the Abbey investment all included in the first phase. All outcomes and outputs will be secured through a revised Funding Agreement with SCC including appropriate and reasonable clawback conditions.

Spend will be over a longer period but with a more secure and deliverable first phase and the applicants will be required to confirm draw-down of the second phase of SCRIF by March 2019 at the latest, allowing reallocation of any underspend two years before the end of the programme.

Legal - Draft Heads of Terms have been exchanged between the applicants and SCC and this will need to be updated in light of the scheme changes.

Diversity - None at this stage

Equality - None at this stage

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Appendix A – Potential Site Occupiers

Abbey Stainless Forgings are an established and growing specialist modern manufacturer supplying the oil exploration, energy and aerospace industries. They operate at a recently modernised plant at Beeley Wood Lane, close to the CSI and wish to develop a new heavy forge which will significantly widen their capability and product range. They have purchased the former Airflow Site for this purpose and aim to start construction of the new plant as soon as planning permission and SCRIF funding for additional power and the upgrade of the UDR site are confirmed. Abbey are major users of both electricity and gas in their processes and are keen to benefit from both the potential cost savings and sustainability credentials which the availability of renewable energy generated on site will give.

However recent fluctuations in their core market of oil exploration have made them more cautious about job numbers and they have therefore reprofiled their employment outcomes to allow the plant to be staffed up more gradually if markets take another dip. However they are also making inroads into new markets such as aerospace.

On the main UDR site two of the initial potential occupiers have withdrawn due mainly to recent changes in the government feed-in tariff for renewables. However they have been replaced by strong interest from two other companies in the energy and recycling sector less impacted by these changes, namely:

a) **Raw Energy** who plan to generate energy using Anaerobic Digestion (AD) from the waste food feedstock already being processed by WRD at the Claywheels site. RAW is a developer, financier and project management company who have moved from their core business in solar power into alternative sustainable power generation technologies. They are in the process of developing a series of AD plants across the UK. The Claywheels site would be their first food waste-fed development.

b) **Earthworm** who wish to construct a plant to generate heat and power from large scale 'closed vessel' composting linked to commercial waste water treatment. Earthworm is an established company and has raised over £30 million to expand its recycling, waste management and power generation projects throughout the UK. This project will be built on Earthworm's success in this sector over the past 7 years.

   Both companies wish to gain early access to the site and are planning investments in plant and buildings of £10m each. WDR, an existing occupier, are also planning to expand their activity but only if mains power and site reclamation are progressed as proposed. (see Plan 2).

c) **Klean Industries** is a specialized, international company that provides sustainable solutions to energy and waste management problems through the use of advanced technologies that recover valuable resources from waste. They have a world-wide patented method of pyrolysis to recycle used motor tyres to release valuable raw materials and generate energy. They have selected Claywheels Lane as the preferred location for a European pilot scheme of this technology.

This proven technology has been optimized in Asia over thirty years with three reference plants dedicated to tyre recycling & seven for plastics already in production. To date the technology has not been applied outside of Asia. They are partnered with consulting engineers Pell Frischmann (owners engineers) and SLR Consulting (permissions) and are designing the initial UK plant for Claywheels. EPC relationships are being finalized to deliver a programme of identical facilities on a turn-key basis in the UK & US based on the Claywheels site as a pilot.

As a result Klean are somewhat behind the above new occupiers in their programme of planning and due diligence. However their proposed investment in the site at £35m is the most substantial and the plant will be a first for the Sheffield Region, UK and Europe.

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 July 2016

SCHEME APPRAISAL LESSONS LEARNED – M1 J36

Purpose of paper

- This paper shares the outcome of a Lessons Learned session arranged by Barnsley MBC for the M1 J36 scheme.
- The lessons identified here have been drawn into a wider lessons learned review that has been undertaken by Sheffield City Region (SCR). This wider delivery review will also be reported to the Infrastructure Executive Board (IEB) at a future meeting.
- The IEB is asked to note the summary of key lessons learned and note the SCR is undertaking a wider review of delivery.

1. **Issue**

1.1. This papers provides a summary of the lessons learned through the appraisal of the M1 J36 scheme.

2. **Recommendations**

2.1. The IEB is asked to note the summary of the key lessons learned.

2.2. The IEB is asked to note that Sheffield City Region Executive is undertaking a wider review of delivery, with an update to be provided to the Board at a future meeting.

3. **Background Information**

3.1. On 20 May 2016, Barnsley MBC arranged a workshop session to explore the lessons that could be learned from the experience of developing a business case and taking it through the SCR Assurance process. The SCR team were also invited to join the session to provide input to the workshop.

3.2. At the May Infrastructure Executive Board, it was suggested that the lessons were shared with partners and this paper seeks to share the learning and sets out actions that either have been, or will be taken to improve future performance.

3.3. Overall the session reported a positive outcome, with good communication and collaboration highlighted. Many of the frustrations related to the complexity of the relationships between the Combined Authority (CA), Local Authority (LA) and Third Parties. The full summary note is provided in Appendix A to this report, the following summarises the key recommendations of the session:

- The promoter's project plan needs to be realistic and take full account of Combined Authority timescales. There is a need to clarify and define legal and ownership positions earlier in the process together with the required timing of engagements. **Promoter action**

- All agreed that SCR and the scheme promoter should ensure the required legal process is commenced as early as possible. **Shared action.**

- BMBC suggest that the Combined Authority need to consider whether clawback conditions are appropriately balanced and not too rigid so as to hinder progress and understand full commercial implications. Also to acknowledge that risks change over the lifetime of the project and to keep clawback conditions under review. **SCR to review.**

- SCR noted that in the specific application of the conditions, the CA to ensure that clawback was not a blanket fit and that commercial considerations were accounted for in the drafting. The tests defined in this contract were developed to respond to the specific needs of third parties. **For noting.**

- SCR suggest that scheme promoters need to understand their position for accepting the risk of clawback and the need for back to back agreements as appropriate. The level of risk that third parties are willing to accept may differ to those required by the SCR CA therefore the promoter needs to determine how to manage this risk. **Promoter action.**

- BMBC suggested that SCR co-ordinate face to face meetings with LAs and those relevant stakeholders (including developers) at key stage points and ensure corresponding key decisions and programming are coordinated and undertaken at the same meeting. SCR will coordinate in keep touch meetings with promoters but will not coordinate meetings with third parties. **Shared action.**

- All agreed continuity of staffing resources on major long-term schemes and adequate succession planning. **Promoter action.**

3.4. In addition to the session coordinated by Barnsley MBC, SCR is undertaking a wider delivery review of the Local Growth Funding and implementation of the Assurance and Accountability Framework. This review has received all inputs required and will be reported to a future Board (expected August). This will help this Board learn from the experiences of others and support on-going improvement.

4. Implications

i. Financial - None as a result of this report

ii. Legal - None as a result of this report

iii. Diversity - None as a result of this report

iv. Equality - None as a result of this report

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Other sources and references: Appendix A Lessons Learnt Report

Junction 36 Lessons Learnt – Outcome of Workshop on 20th May 2016

	AREA OF FOCUS	**COMMENTS**
1	Successes	1. Overall agreement by all parties that this is a significant scheme, of importance to the City Region, which needs to be delivered. 2. Acknowledgement that this is a complex scheme over a prolonged period of time, which has good project organisation/definition and delivery via robust project governance arrangements. 3. Good open communication between BMBC and Combined Authority. 4. Early engagement of parties involved. 5. Officers involved had a positive ‘can do’ approach (collective team effort). 6. A good learning process.
2	Frustrations	1. BMBC highlighted concern that Combined Authority clawback conditions did not sufficiently recognise the commercial property market and were not commercially acceptable to the developers or the supporting financial institutions which could delay or stop the scheme actually happening. 2. CA highlighted concern which clawback seeks to address is about the viability of the scheme. Where a scheme is not able to evidence the commercial need for the project the CA need to protect the investment being made. This is the fundament difference in approach as the CA are not mandated to get involved in the downstream contractual relationship. 3. All highlighted the large number of legal, developer and landowners teams involved was logistically demanding and the negative impact this had on progress of the scheme. 4. All highlighted at the start of the process in particular there were some individuals feeding in to the process that did not necessarily have the right skills at the right time. 5. BMBC highlighted the shift in the Local Plan timescale impacted significantly on the delays for the overall project plan. 6. BMBC highlighted the motivation of the developers involved was ‘too relaxed’ and this affected the BMBC negotiating position. This meant there was a lack of pressure by developers on their own legal teams to ensure they progressed issues on a timely basis. 7. BMBC highlighted perceived ‘naivety’ in terms of information that was made available to BMBC on land options of private sector developers. 8. BMBC highlighted feedback received from developers was that in their experience other LEPs, e.g. Leeds City Region wouldn’t have such stringent clawback conditions with their emphasis being more on ensuring project delivery. 9. SCR responded to say clawback is intended to ensure the project delivers the intended benefits rather than just completing the planned works, at appraisal the project was more speculative than widely understood and without clawback would not have received CA Funding. 10. BMBC highlighted lack of developers appointing legal teams early enough creating subsequent reiterations of funding agreements and need to review all corresponding sections repeatedly resulting in new sets of questions each time.

Appendix A

Junction 36 Lessons Learnt – Outcome of Workshop on 20th May 2016

	AREA OF FOCUS	COMMENTS
		11. BMBC highlighted and SCR supported a frustrating relationship with Highways England. 12. BMBC highlighted for those landowners/developers involved, their interests/influences were not entirely transparent.
3	Learning Points	1. The project plan was underestimated and not realistic. Need to not be over optimistic in relation to timescales particularly in this case the local plan and the legal process and the anticipated time and involvement of parties required. 2. Taking sufficient time to secure the right scheme is important. 3. Need to improve the commercial awareness/skills of SCR and Las and how clawback is used as a balance for CA to invest in potentially risky schemes. 4. Need to consider increased opportunities for risk sharing with private sector developers. (This is for Sponsors to consider recognising that the CA does not get involved with the downstream relationship with developers) 5. Sponsors need to understand the commercial implications of the clawback conditions and how these can be shared with developers. (it may be appropriate for the LA Promoters to retain the clawback risk as per this project) 6. Need to accept and understand that one size does not fit all in schemes of this complexity and longevity. 7. Whilst accepting that the purpose of the clawback conditions was to enable progress on riskier elements of the scheme, greater consideration needs to be given to flexibility and how these may be applied in different ways and also to recognise that one size does not fit all. There was much discussion about how this was achieved on this project and a pragmatic yet robust approach was agreed on each and every condition raised without compromising the principles of SCRIF. 8. Further consideration and clarity is required in relation to where the Combined Authority draws a line in its relationships between the sponsor and developers. 9. Need to reflect on role of Combined Authority together with the impact on risk sharing and the collective responsibility for delivery of the project, i.e. funding body and/or collaborative supportive partner role? What risk is palatable for all parties? 10. Combined Authority needs to revisit and consider their overall ‘operating principles’. 11. Need to consider appropriately how schemes tie in with the local planning process. 12. Need for ongoing review of risk allocation in context of learning as the project progresses. 13. Specific legal input wasn’t early enough in the process, e.g. engagement with Pinsent Masons. For future schemes, begin the legal process much earlier and run in parallel with the 1B business case submission. 14. Sponsor needs to ensure that project profiles and monitoring returns completed for its own performance management are up to date and consistent with those provided to the Combined Authority to optimise effective working. If profiles change ensure Combined Authority is informed. 15. Produce a Heads of Terms for the development agreements and funding agreements at an early stage to ensure that most of the key principles are agreed before the detailed legal process begins. We discussed agreeing the simple HOT in one go but that specific conditions could not be agreed before CA approval is sought. 16. Combined Authority recognising that it is in a period of flux and its corresponding resourcing/capacity issues and the

	AREA OF FOCUS	COMMENTS
		need to readjust/realign accordingly, e.g. legal capacity – is a single resource sufficient? To have regard to continuity of staffing involved with the process. The Combined Authority to ensure that it has sufficient capacity to facilitate timely decisions and ensure spend/SCRIF outputs can be accelerated. Combined Authority to ensure responsive communication channels. 17. SCR need to consider learning experiences from other regions/areas in relation to clawback. 18. Need for BMBC to rationalise the number of project monitoring forms working in conjunction with the Combined Authority. Combined Authority to consider this in the context of the programme wide information requirements. 19. Need for BMBC to share its performance management dashboard with the Combined Authority. 20. Combined Authority to consider appropriateness of inviting a representative from the local authority to their scheme appraisal panel to enhance and facilitate understanding of all parties. We discussed this is probably better achieved during the Keep in Touch meetings rather than the Panel meetings 21. Consider the appropriateness of widening the developer forum to include utility companies' representatives, etc. 22. Sponsor to consider request to Combined Authority for additional funding/resourcing to ensure resource capacity is fit for purpose for example in context of both bid submission and project management, etc. 23. For SCR to consider need for a Memorandum of Understanding with Highways England in order to promote stronger relationship management. This role likely to be contingent on Mayoral directed work streams and future governance arrangements.
4	Key Recommendations	1. The project plan needs to be realistic, including subsequent revisions as well. The sponsor also needs to clarify what the Combined Authority timescales are for corresponding review/approvals, etc. and build this in to the project plan as appropriate. There is a need to clarify and define legal and ownership positions earlier in the process together with the required timing of engagements. 2. All agreed that SCR and the scheme promoter should ensure the required legal process is commenced as early as possible. This could include developing Heads of Terms and any conditions as part of full business case approval. This would be implemented on a case-by-case basis, reflecting the complexity of the scheme and third party arrangements. 3. BMBC suggest that the Combined Authority need to consider whether clawback conditions are appropriately balanced and not too rigid so as to hinder progress/further initiative and understand full commercial implications. Also acknowledge that risks change over the lifetime of the project and to keep clawback conditions under review. Understand how the market reacts to clawback conditions imposed and consider all stakeholder views by engaging with developers, etc. in this regard. Consider as part of this whether there may be any unintended and/or undesirable consequences of the clawback conditions. 4. SCR noted that in the specific application of the conditions the CA engaged in great detail to fully describe the potential situations and the reasonable act the CA would take to dissolve clawback in relation to each land parcel to ensure that clawback was not a blanket fit and that commercial considerations were accounted for in the drafting. The tests defined in this contract were developed to respond to the specific needs of third parties. The final outcome

	AREA OF FOCUS	COMMENTS
		does reflect balance and flexibility but the commercial implications could not be foreseen for this agreement and were a result of specific requirements of individual third parties. 5. SCR suggest that scheme promoters need to understand their position for accepting the risk of clawback and the need for back to back agreements as appropriate. The level of risk that third parties are willing to accept may differ to those required by the SCRCA therefore the promoter needs to determine how to manage this risk. 6. BMBC suggest that SCR co-ordinate face to face meetings with LAs and those relevant stakeholders (including developers) at key stage points and ensure corresponding key decisions and programming are coordinated and undertaken at the same meeting. Consider open invite for SCR to be able to attend the project board. SCR to progress involvement with LEP and key stakeholders – HE, utilities etc. – SCR will progress a schedule of Keep in Touch meetings with promoters, however, would not coordinate meetings with promoters developers or suppliers on a per project basis. 7. All agreed continuity of staffing resources on major long term schemes and adequate succession planning.

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 JULY 2016

PROGRAMME DASHBOARD TEMPLATE

Summary

- **The SCR has decided to undertake a dashboard approach to managing the performance of SCR Investment Fund projects and programmes.**
- **This paper presents an overview of the information that will be used to feed into the final Programme Dashboard.**
- **The Infrastructure Executive Board (IEB) is asked to review and provide feedback on the information set out in Appendix A.**

1. Issue

1.1. The SCR has decided to undertake a dashboard approach to managing the performance of SCR Investment Fund projects and programmes.

1.2. This paper presents the information that will feed into the final programme dashboard. Appendix A sets out a table which identifies the scheme promoter, the project, the milestone, as well as a number of key indicators such as time, cost, quality and project management controls i.e. risks, issues and change control.

1.3. SCR would like to engage with the IEB to scope the content for the final programme dashboard.

2. Recommendations

2.1. The IEB is asked to review and provide feedback on the information set out in Appendix A.

3. Background Information

3.1. The main reasons for taking a dashboard approach have been:

- To present the most valuable and useful set of information

- To provide at a glance an overall situation report of the desired information rather than spending a large amount of time reviewing and analysing different reports to end in a final conclusion
- To ultimately provide the ability to aggregate the information up to a programme dashboard report that will be presented to the IEB to improve oversight of the programme

3.2. The SCR performance team have gathered SCRIF project dashboards for its Q4 2015/16 reports and are in the process of looking at formulating a simple programme dashboard.

3.3. This information will be updated on a quarterly basis and used to report performance to Executive Boards, Leaders and CLG.

Next Steps

3.4. The feedback provided on the draft dashboard will be used to create a final version which will be presented to the IEB at a future meeting to help manage the operational delivery of the programme.

4. **Implications**

i. Financial
   a. None at this stage

ii. Legal
   a. None at this stage

iii. Diversity
   a. None at this stage

iv. Equality
   a. None at this stage

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Appendix A

Sheffield City Region

Infrastructrue (SCRIF)
Programme Dashboard

Month of Report:	**Jun-16**		Total Funding (All Funding)	**£**	**744,464,600**
Prog. Manager:	**David Allat**		Total SCR Funding	**£**	**215,694,368**
No. of Projects	**34**		% SCR Contribution		**29%**

Projects in this Programme

	Promoter	Project	Milestone	Time	Cost	Quality	Risks	Total SCR Funding	Total Funding	%age SCR Contribution
1	Barnsley	M1 J36 Hoyland	Outline Business Case Approved	Green	Green	Green	Amber	£ 15,708,075	£ 18,673,784	84%
2	Barnsley	M1 J37 Claycliffe	Mandate Approved	Amber	Amber	Amber	Amber	£ 11,808,000	£ 293,592,293	4%
3	Barnsley	M1 J36 Goldthorpe	Outline Business Case Approved	Green	Green	Green	Amber	£ 7,324,000	£ 15,138,823	48%
4	Barnsley	Superfast South Yorkshire	Contract Commenced	Green	Green	Green	Amber	£ 11,025,956	£ 28,988,145	38%
5	Bassetlaw	Harworth	Outline Business Case Approved	Green	Green	Green	Amber	£ 945,000	£ 3,550,000	27%
6	Bassetlaw	Workshop Vesuvius	Contract Commenced	Green	Green	Green	Amber	£ 500,000	£ 2,438,000	21%
7	Chesterfield	Peak Resort	Outline Business Case Approved	Amber	Green	Green	Amber	£ 2,850,000	£ 81,150,000	4%
8	Chesterfield	Northern Gateway	Outline Business Case Approved	Red	Amber	Amber	Amber	£ 5,830,380	£ 19,950,500	29%
9	Chesterfield	Chesterfield Waterside	Award Approved	Amber	Green	Green	Amber	£ 2,700,000	£ 60,390,000	4%
10	Derbyshire	Seymour Link Road	Contract Commenced	Green	Green	Green		£ 3,780,000	£ 7,560,000	50%
11	Doncaster	Doncaster Urban Centre - Colonnades	Full Business Case Approved	Green	Green	Green	Amber	£ 2,280,000	£ 3,330,000	68%
12	Doncaster	Doncaster Urban Centre - Lakeside Power	Outline Business Case Approved	Green	Green	Green		£ 1,275,000	£ 5,275,000	24%
13	Doncaster	Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	Full Business Case Approved	Red	Green	Green	Amber	£ 9,100,000	£ 9,792,000	93%
14	Doncaster	DN7 Unity - Hatfield [illegible] Road	Full Busines[illegible] Approved	Amber	Gr[illegible]	Green	Red	£ 11,155,000	£ 15,470,000	72%
15	Doncaster	Doncaster Urban C[illegible]e - The Civic & Cultural Quarter (CC[illegible]	Full Busi[illegible]s Case [illegible]proved	[illegible]reen	Gr[illegible]	[illegible]en		[illegible] 635,000	£ 1,185,000	54%
16	Doncaster	Doncaster Urban Centre - St Sepulchre West /[illegible]tion Forecourt	Outline [illegible] Appr[illegible]	[illegible]en	Gr[illegible]	Green	Green	£ 8,100,000	£ 10,510,000	77%
17	Doncaster	Doncaster Urban C[illegible] Quality Streets	Out[illegible] Business Case Approved	Gre[illegible]	Gr[illegible]	Green		[illegible] 1,350,000	£ 1,450,000	93%
18	Doncaster	Doncaster Urban Centre - Markets	Outline Business Case Approved	Green	Green	Green	Green	£ 2,000,000	£ 2,100,000	95%
19	Doncaster	Doncaster Urban Centre - Waterfront	Full Business Case Approved	Green	Green	Green		£ 8,250,000	£ 9,600,000	86%
20	Doncaster	A630 Westmoor Link Dualling	Outline Business Case Approved	Green	Green	Green	Green	£ 9,250,000	£ 9,750,400	95%
21	Rotherham	Waverley Link Road	Outline Business Case Approved	Red	Amber	Amber	Amber	£ 8,800,000	£ 10,500,000	84%
22	Rotherham	A630 Parkway Widening	Outline Business Case Approved	Amber	Green	Red	Amber	£ 42,457,000	£ 45,022,000	94%
23	Sheffield	Olympic Legacy Park Park Infrastructure Works	Full Business Case Approved	Green	Amber	Green	Amber	£ 4,899,000	£ 9,109,000	54%
24	Sheffield	Upper Don Valley Flood Alleviation Scheme	Mandate Approved	Amber	Amber	Amber	Amber	£ 4,000,000	£ 11,883,587	34%
25	Sheffield	Knowledge Gateway	Outline Business Case Approved	Green	Green	Green	Amber	£ 3,815,000	£ 6,455,000	59%
26	Sheffield	Brookhill and IRR Junctions	Outline Business Case Approved	Amber	Amber	Amber	Red	£ 3,400,000	£ 5,400,000	63%
27	Sheffield	CLAYWHEELS LA SUSTAINABLE INDUSTRIES PARK	Full Business Case Approved	Amber	Amber	Green		£ 4,788,774	£ 7,886,769	61%
28	Sheffield	Grey to Green Phase 1 - Sheffield Riverside Business District	SCR Contract Complete	Amber	Amber	Green		£ 2,464,000	£ 3,501,495	70%
29	Sheffield	University of Sheffield Campus - Phase 1	Contract Commenced	Green	Green	Green	Amber	£ 2,892,000	£ 5,641,485	51%
30	SYPTE	Supertram Renewals	Mandate Approved	Green	Green	Green	Amber	£ 1,000,000	£ 4,054,389	25%
31	SYPTE	BRT(N)	Outline Business Case Approved	Green	Green	Green	Amber	£ 4,015,087	£ 17,819,834	23%
							Total	£ 198,397,271	£ 727,167,503	27%
32	Sheffield	Central Business District/ Moor/NRG						£ 5,321,491	£ 5,321,491	100%
33	Sheffield	Parkwood						£ 6,975,606	£ 6,975,606	100%
34	Sheffield	Enterprise Zones						£ 5,000,000	£ 5,000,000	100%
								£ 215,694,368	**£ 744,464,600**	29%

Green	*Progressing according to plan. There is a good likelihood that actions taken will achieve the outcome*
Amber	*Mixed position - some actions are good and on track but others require attention*
Red	*Progress is slipping - substantial attention is required and some aspects need urgent attention*

SAMPLE

Narrative against RED RAG Status				
Promotor	**Project**	**Time/ Cost/ Quality**	**Risk**	**Issues**
Chesterfield	Peak Resort			
Chesterfield	Northern Gateway	Overall timescales remain unchanged since reporting for quarter 3, however, there has been slippage in the time it will take to obtain cabinet/council approval for the match funding due to the requirement to escalate revised plans to executive board at the end of February 2016 and therefore missed the last Full Council meeting. This delay will mean that there will be a delay in submitting the full business case and commencing with procurement activity as both are dependent upon approval for match funding by full council .		
Doncaster	Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	Float in programme has been used to accommodate additional work carried out post public consultation. Completion delayed by 1 month but contsruction programme is based on a pessimistic duration of 12 months that is likely to be realistically only 10 months.		
Doncaster	DN7 Unity - Hatfield Link Road	Communication with the two outstanding landowners.	Inflated costs and excessive timescales by Northern Power Grid for diverting overhead	
Rotherham	Waverley Link Road	Futher delay to progress whilst the exact requirements of strategic modelling are discussed with DfT. Although WLR is to be locally determined one strategic model is being developed for this and the Parkway widening schemes and work cannot progress until the DfT are satisified with the ASR for Parkway widening.	SCC will not sell land at Woodhouse Mill playing fields.	
Rotherham	A630 Parkway Widening			
Sheffield	Brookhill and IRR Junctions		Costs of proposals exceed budget	

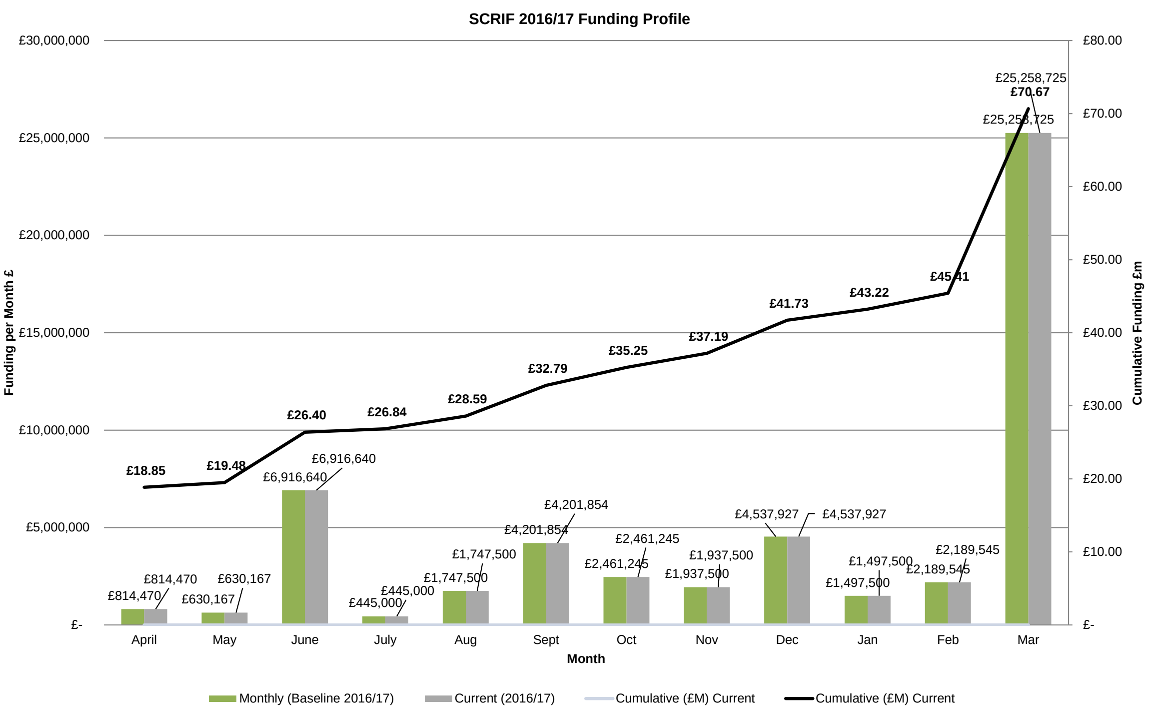
Items escalated to Executive Board for Approval

Promotor	**Project**	**Issue / Change proposed**	**Comments**	

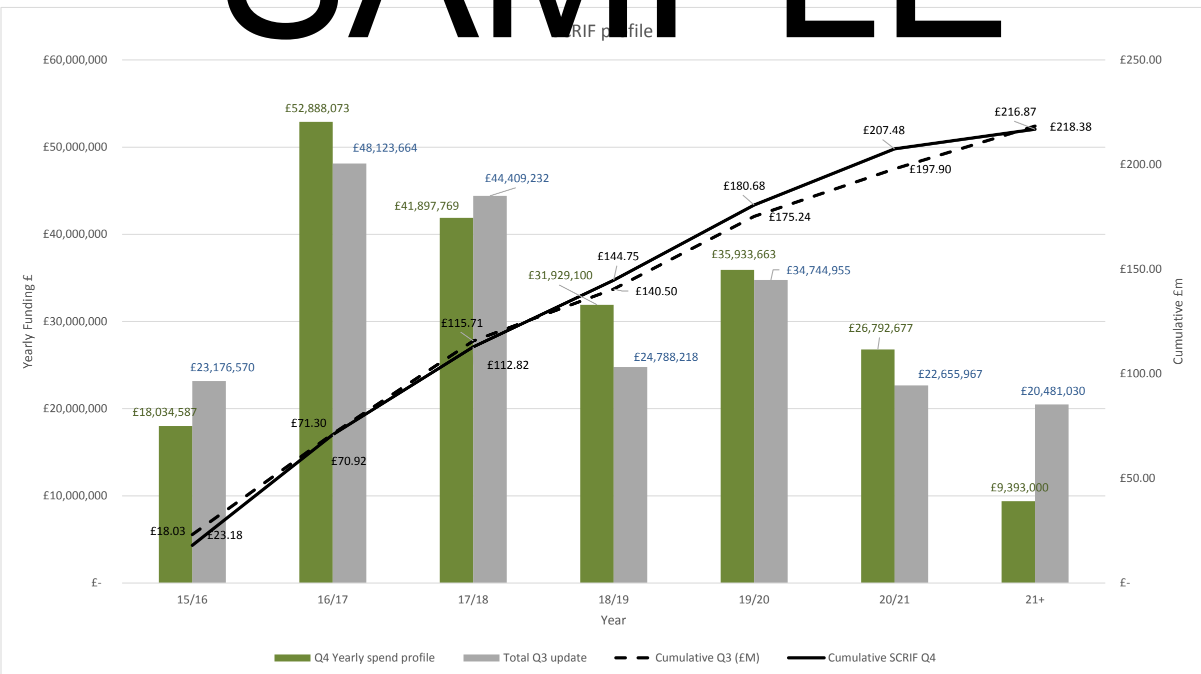
TIME			Key Milestones					
Promoter	Project	Status	Mandate Approved	OBC Approved	FBC Approved	Full Approval	Project Close	Comment
SCC	Brookhill and IRR Junctions	Baseline	20/11/2013	00/01/1900	00/01/1900	00/01/1900	00/01/1900	
		Current	20/11/2013	00/01/1900	00/01/1900	00/01/1900	00/01/1900	
		+/- Variance	0	0	0	0	0	
SCC	Olympic Legacy Park Park Infrastructure Works	Baseline	01/12/2015	07/03/2016	09/05/2016	09/05/2016		
		Current	01/12/2015	07/03/2016	09/05/2016	09/05/2016		
		+/- Variance	0	0	0	0	0	
SCC	CLAYWHEELS LA SUSTAINABLE INDUSTRIES PARK	Baseline	20/11/2013	00/01/1900	01/01/2016	01/09/2016	00/01/1900	
		Current	20/11/2013	00/01/1900	01/01/2016	01/09/2016	00/01/1900	
		+/- Variance	0	0	0	0	0	
SCC	Grey to Green Phase 1 - Sheffield Riverside Business District	Baseline	20/11/2013					
		Current	20/11/2013					
		+/- Variance	0	0	0	0	0	
SCC	Knowledge Gateway	Baseline	22/11/2013		03/06/2016	01/09/2016	01/10/2018	
		Current	22/11/2013		03/06/2016	01/09/2016	01/10/2018	
		+/- Variance	0	0	0	0	0	
SCC	Upper Don Valley Flood Alleviation Scheme	Baseline	20/11/2013		28/02/2017	01/03/2018	31/01/2024	
		Current	20/11/2013		31/08/2017	01/06/2018	02/08/2024	
		+/- Variance	0	0	-184	-92	-184	
SCC	University of Sheffield Campus - Phase 1	Baseline	20/11/2013		00/01/1900	Jan 2016		
		Current	20/11/2013		00/01/1900	01/03/2015		
		+/- Variance	0	0	0	306	0	
SCC	Central Business District/Moor/NRQ	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	
SCC	Parkwood Springs	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	
South Yorkshire	Superfast South Yorkshire	Baseline	14/07/2014	31/01/2015	31/03/2015	30/04/2015		
		Current	14/07/2014	31/01/2015	31/03/2015	30/04/2015		
		+/- Variance	0	0	0	0	0	
SYPTE	BRT(N)	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	
South Yorkshire	SCR JESSICA Loan	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	
DMBC	A630 Westmoor Link Dualling	Baseline	21/11/2013	01/04/2016	01/09/2016	01/04/2019		
		Current	21/11/2013	01/04/2016	01/09/2016	01/04/2019		
		+/- Variance	0	0	0	0	0	
DMBC	Doncaster Urban Centre - The Civic & Cultural Quarter (CCQ)	Baseline	20/11/2013	15/07/2015	15/01/2016	15/04/2016		
		Current	20/11/2013	15/07/2015	15/01/2016	15/04/2016		
		+/- Variance	0	0	0	0	0	
DMBC	Doncaster Urban Centre - Colonnades	Baseline	22/11/2013	01/07/2015	01/01/2016	01/01/2016		
		Current	22/11/2013	01/07/2015	01/01/2016	01/01/2016		
		+/- Variance	0	0	0	0	0	
DMBC	DN7 Unity - Hatfield Link Road	Baseline	20/11/2013			01/06/2016		
		Current	20/11/2013			01/11/2016		
		+/- Variance	0	0	0	-153	0	
DMBC	Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	Baseline	20/11/2013					
		Current	20/11/2013					
		+/- V[illegible]nce	[illegible]	[illegible]	[illegible]	[illegible]	0	
DMBC	Doncaster Urban C[illegible]re - Lakeside Power	Baseline	22/11/20[illegible]	[illegible]7/2015	[illegible]/08/2[illegible]	01/12/20[illegible]		
		Current	22/11/20[illegible]	[illegible]7/2015	[illegible]/08/2[illegible]	01/12/20[illegible]		
		[illegible]Varia[illegible]	[illegible]0	0	[illegible]	[illegible]	0	
DMBC	Doncaster Urban [illegible]tre - Markets	Baseline	20/11[illegible]13	[illegible]	[illegible]01/01/2[illegible]	01/02/20[illegible]		
		Curren[illegible]	20/1[illegible]013	[illegible]7/2015	01/06/2[illegible]	01/08/20[illegible]		
		+/- Variance	0	0	-[illegible]	-18[illegible]	0	
DMBC	Doncaster Urban Cent[illegible] Streets	Bas[illegible]e	[illegible]/2013	[illegible]7/2015	01/11/2[illegible]	01/02/20[illegible]		
		Cu[illegible]t	[illegible]1/2013	[illegible]7/2015	01/11/2[illegible]	[illegible]2/20[illegible]		
		+/- Variance	0	0	0	0	0	
DMBC	Doncaster Urban Centre - St Sepulchre West / Station Forecourt	Baseline	20/11/2013	01/07/2015	01/04/2016	01/12/2016		
		Current	20/11/2013	01/07/2015	01/04/2016	01/12/2016		
		+/- Variance	0	0	0	0	0	
DMBC	Doncaster Urban Centre - Waterfront	Baseline	20/11/2013	01/07/2015	01/02/2016	01/01/2017		
		Current	20/11/2013	01/07/2015	01/02/2016	01/01/2017		
		+/- Variance	0	0	0	0	0	
CBC	Chesterfield Waterside	Baseline	31/03/2014	30/09/2014	31/10/2015	31/10/2015	31/03/2020	
		Current	31/03/2014	30/09/2014	30/11/2015	30/11/2015	31/03/2020	
		+/- Variance	0	0	-30	-30	0	
CBC	Northern Gateway	Baseline	20/11/2013	01/02/2016	01/01/2016	01/06/2016	01/07/2020	
		Current	20/11/2013	01/02/2016	01/09/2016	01/10/2016	01/07/2020	
		+/- Variance	0	0	-244	-122	0	
CBC	Peak Resort	Baseline	20/11/2013		31/01/2016	01/03/2016	01/09/2021	
		Current	20/11/2013		03/06/2016	15/07/2016	01/09/2021	
		+/- Variance	0	0	-124	-136	0	
BDC	Harworth and Bircotes Step Change Programme Road Improvements	Baseline	22/11/2013	30/06/2016	31/05/2016	31/07/2016	30/04/2022	
		Current	22/11/2013	30/06/2016	31/05/2016	31/07/2016	30/04/2022	
		+/- Variance	0	0	0	0	0	
BDC	Worksop site delivery and Vesuvius scheme	Baseline	22/11/2013				01/10/2021	
		Current	22/11/2013				01/10/2021	
		+/- Variance	0	0	0	0	0	
BDC	Worksop Phase 2	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	
DCC	Seymour Link Road	Baseline	20/11/2013					
		Current	20/11/2013					
		+/- Variance	0	0	0	0	0	
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 1 Hoyland)	Baseline	20/11/2013	01/06/2015			31/03/2033	
		Current	20/11/2013	01/06/2015			31/03/2033	
		+/- Variance	0	0	0	0	0	
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 2 Goldthorpe)	Baseline	27/06/2013	13/05/2014	30/11/2017	28/02/2018	31/03/2033	
		Current	27/06/2013	13/05/2014	30/11/2017	28/02/2018	31/03/2033	
		+/- Variance	0	0	0	0	0	
BMBC	M1 Junction 37 –Economic Growth Corridor (Claycliffe)	Baseline	27/06/2013	20/06/2016	30/11/2017	28/02/2017	31/03/2033	
		Current	27/06/2013	20/06/2016	30/11/2017	28/02/2017	31/03/2033	
		+/- Variance	0	0	0	0	0	
RMBC	Waverley Lower Don Valley A630	Baseline	30/11/2013		01/11/2016	01/02/2019	01/06/2027	
		Current	20/11/2013		01/05/2017	01/07/2019	01/12/2027	
		+/- Variance	10	0	-181	-150	-183	
RMBC	Waverley Lower Don Valley Link Road	Baseline	22/11/2013		01/10/2015	01/12/2017	01/09/2022	
		Current	22/11/2013		01/02/2017	01/03/2019	01/12/2023	
		+/- Variance	0	0	-489	-455	-456	
SCR	EZ Funds	Baseline						
		Current						
		+/- Variance	0	0	0	0	0	

Milestone Complete

COST



Narrative on changes to in year profile



Narrative on changes to in year profile

QUALITY - Outcomes

Promoter	Project	Status	GVA (£)	Private Sector Leverage (£)	Jobs Created (Gross)	Jobs Created (Net) Number
			Total Over the Lifetime of the Programme			
SCC	Brookhill and IRR Junctions	Baseline	£ -	£ -	0	0
		Current	£ -	£ -	0	0
		+/- Variance	0	0	0	0
SCC	Olympic Legacy Park Park Infrastructure Works	Baseline	£ 34,253,000	£ 47,620,000	938	767
		Current	£ 34,253,000	£ 47,620,000	938	767
		+/- Variance	0	0	0	0
SCC	CLAYWHEELS LA SUSTAINABLE INDUSTRIES PARK	Baseline				
		Current				
		+/- Variance	0	0	0	0
SCC	Grey to Green Phase 1 - Sheffield Riverside Business District	Baseline			1890	
		Current			1890	
		+/- Variance	0	0	0	0
SCC	Knowledge Gateway	Baseline				
		Current				
		+/- Variance	0	0	0	0
SCC	Upper Don Valley Flood Alleviation Scheme	Baseline	£ 370,424		1795	1751
		Current	£ 370,424		1795	1751
		+/- Variance	0	0	0	0
SCC	University of Sheffield Campus - Phase 1	Baseline	£ 663,000,000	£ 5,400,000		893
		Current	£ 663,000,000	£ 5,400,000		893
		+/- Variance	0	0	0	0
SCC	Central Business District/Moor/NRQ	Baseline				
		Current				
		+/- Variance	0	0	0	0
SCC	Parkwood Springs	Baseline				
		Current				
		+/- Variance	0	0	0	0
South Yorkshire	Superfast South Yorkshire	Baseline	£ -	£ -	0	0
		Current	£ -	£ -	0	0
		+/- Variance	0	0	0	0
SYPTE	Supertram renewals	Baseline	£ 31,000,000			
		Current	£ 31,000,000			
		+/- Variance	0	0	0	0
SYPTE	BRT(N)	Baseline		£ 3,850,000	260	
		Current		£ 3,850,000	260	
		+/- Variance	0	0	0	0
South Yorkshire	SCR JESSICA Loan	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	A630 Westmoor Link Dualling	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	Doncaster Urban Centre - The Civic & Cultural Quarter (CCQ)	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	Doncaster Urban Centre - Colonnades	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	DN7 Unity - Hatfield Link Road	Baseline			7681	
		Current			7681	
		+/- Variance	0	0	0	0
DMBC	Finningley and Rossington Regeneration Route Scheme - Phase 2 (FARRRS)	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	Doncaster Urban Centre - Lakeside Power	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	Doncaster Urban Centre - Markets	Baseline				
		Current				
		+/- Variance	0	0	0	0
DMBC	Doncaster Urban Cent[illegible] Streets	Baseline				
		Current				
		+/- [illegible]ce	[illegible]	0	[illegible]	[illegible]
DMBC	Doncaster Urban C[illegible]e - St Sepulchre West / Sta[illegible]ourt	Baseline				
		Current				
		[illegible]Varian[illegible]	0	0	[illegible]	[illegible]
DMBC	Doncaster Urban [illegible]tre - Waterfron[illegible]	Baselin[illegible]				
		Curren[illegible]				
		+/- Variance	0	0	[illegible]	[illegible]
CBC	Chesterfield Waterside	Bas[illegible]	£ [illegible]0,000	£ 5[illegible]0,000	[illegible]	14[illegible]
		Cu[illegible]	£ [illegible]0,000	£ 5[illegible]0,000	[illegible]	14[illegible]
		+/- Variance	0	0	0	0
CBC	Northern Gateway	Baseline	£ 15,800,000	£ 10,550,000	489	237
		Current	£ 15,800,000	£ 10,550,000	489	237
		+/- Variance	0	0	0	0
CBC	Peak Resort	Baseline	£ 13,000,000	£ 81,000,000	400	323
		Current	£ 13,000,000	£ 81,000,000	400	323
		+/- Variance	0	0	0	0
BDC	Harworth and Bircotes Step Change Programme Road Improvements	Baseline	£ 273,000		1138	
		Current	£ 273,000		1138	
		+/- Variance	0	0	0	0
BDC	Worksop site delivery and Vesuvius scheme	Baseline				6000
		Current				6000
		+/- Variance	0	0	0	0
BDC	Worksop Phase 2	Baseline				
		Current				
		+/- Variance	0	0	0	0
DCC	Seymour Link Road	Baseline	£ 272,000,000	£ 12,504,000		
		Current	£ 272,000,000	£ 12,504,000		
		+/- Variance	0	0	0	0
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 1 Hoyland)	Baseline				
		Current				
		+/- Variance	0	0	0	0
BMBC	M1 Junction 36 – A6195 Dearne Valley Economic Growth Corridor (Phase 2 Goldthorpe)	Baseline				4555
		Current				4555
		+/- Variance	0	0	0	0
BMBC	M1 Junction 37 –Economic Growth Corridor (Claycliffe)	Baseline				3851
		Current				3851
		+/- Variance	0	0	0	0
RMBC	Waverley Lower Don Valley A630	Baseline				
		Current				
		+/- Variance	0	0	0	0
RMBC	Waverley Lower Don Valley Link Road	Baseline				
		Current				
		+/- Variance	0	0	0	0
SCR	EZ Funds	Baseline				
		Current				
		+/- Variance	0	0	0	0

Narrative on changes to Outcomes in year profile

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Sheffield City Region COMBINED AUTHORITY

SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 JULY 2016

LEP PRIORTISATION WORKSHOP IMPACT ON SCR IIP

Summary

- **This paper presents an update on the initial outcomes of the LEP prioritisation workshop that took place on 3 June 2016. At the workshop the LEP reaffirmed that infrastructure is a key strategic theme. Furthermore, the LEP identified Doncaster Sheffield Airport and the Advanced Manufacturing Innovation District (AMID) as 'key strategic projects'.**

- **The SCR Integrated Infrastructure Plan (SCR IIP) reflects these emerging priorities but will require some minor amends to ensure they are appropriately presented.**

- **The Infrastructure Executive Board (IEB) is asked to:**

  - **Note the initial outcome of the workshop, and**
  - **Endorse the proposed minor amendments to the SCR IIP.**

1. Issue

1.1. This paper presents an update on the early outcome of the LEP prioritisation workshop. The purpose of the workshop was to scope out and set a framework within which to take forward the SEP refresh.

1.2. The LEP identified infrastructure as a key strategic theme alongside transport, housing, business growth, skills, rural and city/town centres.

1.3. The LEP identified Doncaster Sheffield Airport and the Advanced Manufacturing Innovation District (AMID) as important strategic projects.

1.4. The LEP conclusions are in-keeping with the content of the IEB-approved SCR IIP. However, the SCR IIP will require minor amends to ensure that the key strategic value of the AMID and airport is appropriately reflected.

2. Recommendations

2.1. The Board is asked to note the initial outcome of the workshop.

2.2. The Board is asked to endorse the proposed changes to the SCR IIP and note next steps.

3. Background Information

LEP Visioning Workshop Outcome

3.1. The LEP workshop which took place on 3 June 2016 set out the need to link all three of the following together through a refreshed SEP:

- Determine the Vision
- Determine priorities to achieve it
- Establish spending principles

3.2. The following table summarises the workshop outcomes:

The Vision	Priorities to achieve it	Spending Principals
"A City Region with a strong economy, competing in national and global markets creating a place where our communities, people and business prosper, with a strong sense of civic and social responsibility."	• Deliver new SEP • Cultural shift- behavioural and process change i.e. confident, proactive and promotional • Above priorities underpinned by projects and programmes	• Economic benefit - investment has to equal an economic return and / or promote economic growth • Focus on Outcomes not funding streams • Investment that delivers transformational interventions • Inclusive and sustainable growth i.e. investments support long term financial innovation and sustainability • 4 year rolling programme for our single pot

3.3. Infrastructure has been highlighted as a strategic theme transport, housing, business growth and skills. Two new themes have been identified- these are city / town centres and rural.

3.4. A number of key shifts have also been recognised as important in order to achieve the ambition set out above, for example:

- Align economy to achieve 'inclusive growth'
- Better internal and external connectivity / speed – all modes
- Raise environmental quality and image through positive placemaking
- Proactive, responsive public agencies -partner private and voluntary sectors

3.5. The next steps for the SCR have been identified as follows:

- Refresh SEP evidence base addressing specific gaps – Spring /Summer 2016
- Draft refreshed SEP – Autumn 2016
- Refreshed SEP agreed – End December 2016

Emerging Priorities and Impact on SCR IIP

3.6. The emerging LEP priorities are consistent with the content of the existing IEB-approved SCR IIP, particularly with regards to the following:

- Infrastructure is key to the economic success of the SCR

- Doncaster Sheffield Airport and the AMID are key strategic priorities that require infrastructure investment to maximise their potential.

3.7. Following the workshop, it has been suggested that minor amends are made to the SCR IIP to clarify its role and to better emphasise the LEP priorities. The following amends will be made before the SCR IIP is presented to the Combined Authority for sign-off:

- Clarification that SCR IIP will not be the only infrastructure funding source and infrastructure sectors should explore other funding options before approaching SCR.
- Clarification that SCR IIP is flexible and can evolve in line with future priorities.
- The SCR IIP to further emphasise the importance of AMID and the Airport-our strategic priorities.
- The SCR IIP to further emphasise the importance of intra and inter connectivity.

3.8. The above amendments were requested by the Chair of the Combined Authority.

Next Steps

3.9. Subject to approval of these minor amends, the SCR IIP will be presented to the CA and LEP for sign off on the 1st August.

4. **Implications**

i. Financial
   a. None at this stage

ii. Legal
   a. None at this stage

iii. Diversity
   a. None at this stage

iv. Equality
   a. None at this stage

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Other sources and references: SCR workshop presentation pack 03/06/16

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SCR COMBINED AUTHORITY INFRASTRUCTURE EXECUTIVE BOARD

15 JULY 2016

KEY THEMATIC LINKS – ALL EXECUTIVE BOARDS

Summary

- **This paper presents a high level account and first draft of the key thematic links across all the Executive Boards as set out in Appendix A.**
- **The SCR Executive Board workstreams are inextricably linked, with a number of work streams of key importance to multiple Boards.**
- **SCR has assigned to each activity a 'Lead Board' responsible for oversight and sign off of a range of project based activity. It is essential that other Boards are involved and sighted on some activities, and as such arrangements to ensure this happens are set out in this paper.**
- **The Infrastructure Executive Board (IEB) is asked to review, discuss and provide feedback on the information set out in the draft table at Appendix A.**

1. Issue

1.1. This paper presents a draft table which highlights the key cross cutting workstreams of the SCR Executive Boards.

1.2. The draft table identifies which Board will lead key workstreams and, which Boards need to be involved in the shaping and completion of these workstreams. For example, the plans and investments through the SCR Integrated Infrastructure Plan (SCR IIP) and SCR Investment Fund (SCRIF) are often related to the delivery of objectives for the transport network and unlocking housing land.

2. Recommendations

2.1. The Board is asked to review and discuss the information set out in Appendix A.

2.2. The Board is asked to comment and provide feedback on the draft table.

3. **Background Information**

Infrastructure

3.1. Through the SCR Business Planning process, the SCR assigned responsibility for key workstreams / thematic areas to five Executive Boards (Transport, Housing, Infrastructure, Skills and Business growth). The Business Plans for the respective Boards highlight the key priorities and supporting workstreams for each ‘Lead Board’.

3.2. A number of work streams are of cross cutting importance and as such it is essential that the other thematic Boards are suitably involved in the completion of these work streams. Appendix A sets out each key business plan work stream and assigns the following:

- **Lead Board:** Responsible for the oversight, completion and sign-off[1] of the respective work stream.

- **Sighted Board:** The work stream is of key importance to the work of this Board and as such the Board should be involved in the development of the work stream and kept up to date on progress.

3.3. For example, the SCR Spatial Plan and the SCR Integrated Infrastructure Plan are workstreams which have SCR-wide impact across all themes. They are led by the Housing and Infrastructure Boards respectively, but to effectively complete the work and ensure SCR interests are fully captured it is essential that the wider thematic groups such as Transport are involved.

3.4. Appendix A provides a draft framework setting out which workstreams are relevant to which Boards. The IEB is asked to consider the following:

- Does the IEB agree with the information set out in Appendix A?
- Does the IEB agree with the Lead Board assigned to the associated work stream as well as the other Boards who are sighted?
- How can the Boards best communicate and collaborate?

3.5. Following discussion of the content and recommendations in this report with all of the SCR’s Executive Boards, a report will be presented to the SCR Combined Authority at a future meeting which will seek to agree the arrangements in relation to ‘Lead’ and ‘Sighted’ Boards.

4. **Implications**

a. Financial - None at this stage

b. Legal - None at this stage

c. Diversity - None at this stage

d. Equality - None at this stage

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[1] In many cases ultimate sign off will need to come from the Combined Authority and the ‘lead board’ will be making the recommendation to the CA.

APPENDIX A

Key:

(Dark Green) Lead Board: Responsible for the oversight, completion and sign-off of the respective work stream.

(Light Green) Sighted Board: The work stream is of key importance to the work of this Board and as such the Board should be involved in the development of the work stream and kept up to date on progress.

THEME	TRANSPORT	INFRASTRUCTURE	HOUSING	BUSINESS GROWTH	SKILLS
INFRASTRUCTURE					
SCR INTEGRATED INFRASTRUCTURE PLAN (SCR IIP)	**Sighted**: Key route to funding transport projects	**Lead:** Develop SCR IIP, build pipeline, deliver pipeline	**Sighted**: Potential route to funding housing infrastructure, as well as overlap with the development of SCR funding programmes and products)	**Sighted**: Growth Hub **–** supply chain and responding to regional demand **(**growth demand spoke**)**	**Sighted:** SCR identified skills gap to deliver pipeline
SCR IIP PIPELINE	**COMBINED AUTHORITY TO DECIDE- clarity required on which Board owns each area**				
SCRIF	**Sighted:** Transport schemes- provide progress check	**Lead:** Manage SCRIF assurance framework	**Sighted**: Schemes which deliver significant housing outputs are to be monitored by the Housing Board	**Sighted:** Growth Hub- will need to be reactive to the outputs of SCRIF. Access to Finance – capital investment required for businesses	**Sighted**: Emerging skills issues highlighted from scheme promoters
JESSICA FUND		**Lead**: Oversight of JESSICA investment activity.	**Sighted:** Potential to support mixed use developments.	**Sighted:** Provision of new commercial floor space. / Access to Finance	
ENTERPRISE ZONE	**Sighted:** Accessibility gaps – such as AMID and Airport/ Work stream being developed i.e. tram train	**Lead:** £5m capital funding		**Sighted:** Marketing EZ- Inward Investment Attracting businesses to these areas due to reduced rates. Link to Growth Hub	**Sighted**: Need to attract appropriate skills to advanced manufacturing. Link to Skills Bank – there is a need to clarify if there are any deals with EZ businesses.

				where there is a requirement to support ongoing growth and jobs are being created.	Link to Skills for jobs growth if new jobs are being created and employability pilot in future
HOUSING					
JOINT ASSETS BOARD AND ONE PUBLIC ESTATE		**Sighted:** SCR IIP has land and commercial property as a key theme- town centre development	**Lead:** The development of a SCR public sector land disposal register/ brownfield register which will hold all surplus SCR land and property assets in one place Strategic direction/ decisions on releasing public sector land.		**Sighted:** Both skills and labour gap exists. Lack of skills in industry – i.e. professional skills. Construction skills- i.e. quantity surveyor, civil engineering. Alignment to development of SCR devolution pilot and development of skills, work and employment eco-system e.g. JCP estates strategy
SPATIAL PLAN/ STRATEGIC PLANNING	**Sighted:** ALL Boards to be engaged. Separate Board may be associated with this task		**Lead**: Options for taking forward the planning ‘powers’ of the Mayor/ the development of Mayoral Development Corporations to be produced for consideration by the SCR Combined Authority.		
HOUSING CAPITAL PROGRAMME (the	**Sighted:** May be schemes here to enable housing growth –		**Lead**: The development of SCR funding	**Sighted:** Link between public and private – help	**Sighted**: Need to ensure that any housing

development of SCR funding programmes and products)	depending on how the Fund is agreed and managed		programmes and products in order to accelerate housing delivery in line with SCR's economic ambitions. Decision on the investment of funds under local control (in line with housing priorities) is required from the CA.	with investment leads- keep things delivering Link to Growth Hub - Construction supply chain gap identified to support smaller building firms.	investment supports SCR-level skills programmes and commitments Capacity and skills to deliver significant housing growth is a key consideration
TRANSPORT					
TRANSPORT STRATEGY	**Lead:** develop the Transport Strategy refresh	**Sighted:** Feed into the Transport Strategy accordingly			**Sighted**: Connectivity between transport and travel to learn / travel to work where transport is a barrier to learning / working
TRANSPORT FOR THE NORTH	**Lead:** lead input to TfN – influencing delivery of SCR priorities	**Sighted:** TfN will have significant budget (£15bn) for transformational infrastructure in the North- another close link between infrastructure and transport		**Sighted:** Selling benefits of enhanced connectivity (and wider economic benefit) to potential investors	**Sighted:** TFN identified core sectors and need to push for skills in those sectors
HS2	**Lead:** lead liaison with the HS2 to maximise benefits to SCR	**Sighted:** HS2 itself involves significant infrastructure investment- SCR will require a comprehensive connectivity package of local transport infrastructure	**Sighted:** Impact on housing decisions Station location – priority for housing investment	**Sighted:** Selling benefits (connectivity and wider economic) to potential investors	**Sighted**: HS2 rail college and supply chains

STRATEGIC RAIL	**Lead:** liaise with network Rail	**Sighted:** involves transport infrastructure**.** Although externally delivered, may be important to the Infrastructure Exec Board			
MODELLING STRATEGY	**Lead:** Combined Authority needs overall approach to be agreed on modelling. • Update on modelling required. • Clarity on what models to use – data and modelling strategy needed	**Sighted**: will require use of models	**Sighted**: will require use of models		
HIGHWAYS ENGLAND (HE)	**Lead:** liaise with HE	**Sighted:** will be influenced by HE investment			
SKILLS & EMPLOYMENT					
SKILLS BANK	**Sighted:** potential funding from the Skills Bank on employer led training	**Sighted:** potential funding from the Skills Bank on employer led training	**Sighted:** potential funding from the Skills Bank on employer led training	**Sighted:** potential funding from the Skills Bank on employer led training	**Lead:** Skills Bank is the SCR's market place to match employers with specific training needs to training providers
SKILLS CAPITAL FUNDING	**Sighted:** Skills based training and provision for rail skills	**Sighted:** Skills based training and provision for rail skills??			**Lead:** £6m investment for National Rail College (Doncaster)
SECTOR BASED REVIEWS	**Sighted**: CITB in depth study which lists SCR projects live within the planning application process (Glenigan	**Sighted**: CITB in depth study which lists SCR projects live within the planning application process (Glenigan Database).	**Sighted:** CITB in depth study which lists SCR projects live within the planning application process (Glenigan	**Sighted:** CDI is a priority area and this theme will need to be aware of the findings	**Lead:** Sector based reviews into labour market 16/17. In depth study into the Construction Sector

	Database)	Understand emerging construction skills gaps which may help inform current and future infrastructure schemes	Database). Understand emerging construction skills gaps which may help inform current and future housing schemes		(complete). In depth study into Creative and Digital Industry (CDI) late 2016.
LABOUR MARKET REVIEW	**Sighted:** This work will cover transport occupations.	**Sighted:** This work will cover construction occupations. The report will provide background information on Enterprise Zones and growth sectors.		**Sighted:** Report will detail growth sectors and job demands / gaps.	**Lead:** Broad industrial review into the SCR labour market covering supply and demand of skills. SCR has licences to two LMI tools (Economic Modelling Specialists International Analyst and Labour Insights) which can provide detailed information regarding industries, occupations, salaries and growth statistics. In house tool. SCR Labour Market Review Report -late September.
BUSINESS GROWTH					
CORE HUB		**Sighted:** Demand for facilities **–** creating Job and GVA growth across the region.	**Sighted:** Impact on housing decisions	**Lead:** Resource to support Leadership for Growth Businesses Leadership and Management skills gap –	**Sighted:** Leadership and Management skills gap Skills to support leadership development within our

				Hotspot mapping – geographies – Sectors – Age (statup etc)	businesses.
INNOVATION	**Sighted:** - AMID district Business Growth Support enablers	**Sighted:** - AMID district Business Growth Support enablers	**Sighted:** Impact on housing decisions	**Lead:** support businesses to focus on innovation – developing open innovation networks. Smart Specialisation, AMID – development and provision of Technical and Organisational innovation programmes.	**Sighted:** Skills requirements around Smart specialisation.
ACCESS TO FINANCE		**Sighted: -** provision of suitable growth space/infrastructure for growth		**Lead:** Business Investment Fund- Investor Network - to provide an investor framework – primarily Seedcorn & early stage.	**Sighted:** Businesses requiring business leadership / financial skills – investment support.
INTERNATIONAL TRADE/EXPORTS	**Sighted:** - provision of suitable transport facilities for business growth - cargo and freight services as well as	**Sighted**: - provision of suitable growth space/infrastructure for growth - International exchange		**Lead:** International trade development programme Overseas Missions development –	**Sighted** - internal skills gaps around International trade and exporting – embedding skills with export support.
BUSINESS START-UPS	**Sighted:** - provision of suitable growth space/infrastructure for growth - International exchange	**Sighted:** - provision of suitable incubation space/creative and digital workplaces -		**Lead:** Start up programme. Incubators / Accelerators maker spaces /	**Sighted:** - provision of entrepreneurship training skills development support - socially disadvantaged entrepreneurship

GROWTH DEMAND	**Sighted**: HS2/Rail – major supply chain gap	**Sighted** - major supply chain gap-Nuclear/Build/Renewables/Energy	**Sighted:** - major supply chain gap - Construction /Trades Impact on housing decisions	**Lead:** Supply chain initiatives – Identification of the gaps Sector Specific Business Support programmes - CDI - Construction – Manufacturing/Advanced Manufacturing - Space Healthtech etc….	**Sighted -** Skills gaps across key sectors – Sector specific high level skills programmes
EMERGING PRIORITY THEMES					
SEP REFRESH	**SIGHTED: ALL THEMES WILL INPUT INTO SEP REFRESH / COMBINED AUTHORITY TO SIGN OFF**				
ADVANCED MANUFACTURING INNOVATION DISTRICT	**Sighted:** Potential transport implications	Infrastructure will play a key role. SCR IIP identifies AMID as a growth area	TBC	TBC	TBC
DONCASTER SHEFFILD AIRPORT	**Sighted:** International connectivity for SCR and surface access	Infrastructure will play a key role. SCR IIP identifies the Airport as a growth area	TBC	TBC	TBC

SCR INFRASTRUCTURE EXECUTIVE BOARD

3rd JUNE 2016

AMP, WAVERLEY, ROTHERHAM

No.	Item	Action
1	**Welcome and Apologies** Present: Board Members Mayor Ros Jones - Doncaster MBC, CHAIR Martin McKervey - Nabarro / LEP Cllr John Burrows, Chesterfield BC John Mothersole, Sheffield CC Apologies were received from Board Members Neil Taylor, Bassetlaw DC and Chris Scholey – Doncaster Bassetlaw NHS Foundation Trust / LEP Also in Attendance Matthew Southgate, CBC Neil Firth, DMBC Rob Pearson, HCA Ed Highfield, SCC Simon Ogden, SCC (for item 4b) Mark Lynam, BMBC Neal Byers - ARUP / SCR Executive Team Julie Hurley, SCR Executive Team Dave Allatt - SCR Executive Team Veena Prajapati - SCR Executive Team Adrian Withill - RMBC Craig Tyler - Joint Authorities Governance Unit	
2	**Declarations of Interest** None noted	
3	**Urgent Items / Announcements** None received	
4	**SCRIF Business Cases** Peak Resorts and Junction 37 1a	

Papers were presented providing recommendations by the SCR Appraisal Panel.

It was noted that the SCR Appraisal Panel has reviewed Business case applications for two schemes and the technical recommendations are now presented for consideration for Peak Resorts and M1 Junction 37 Economic Growth Corridor.

Regarding the Park resorts scheme, it was noted the scheme promoter has provided information in support of the scheme, as requested at the last meeting, and has accepted all clawback conditions.

RESOLVED, that the Board Members:

1. **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 to the report) and endorse the escalation of this recommendation to the SCR CA (as considered at the previous CA meeting).**

2. **Approve progression of M1 Junction 37 Economic Growth Corridor to Stage 1B Full Business Case.**

<u>Sheffield City Centre Scheme</u>

Members were reminded that at the last IEB meeting, the request to fund the £175k loss of ERDF funding was declined and it was agreed this should be borne by the scheme promoter. Members also requested a presentation to explain how the scheme has evolved against its original submission.

A paper and presentation were therefore received setting out the proposed changes. It was noted tis includes a greater focus on the Riverside Business District element and is a direct response to changes in the current market. It was confirmed the changes have no effect on the existing SCRIF allocation and will help to raise the profile of the scheme regionally and nationally.

It was confirmed the GVA assumptions are not predicated on the development of a city centre HS2 station location.

Members welcomed the suggestion that schemes should evolve to meet the requirements of the market.

RESOLVED, that the Board:

1. **Note and support the proposed scheme changes**

5	**SCRIF Quarter 4 Programme Update** A paper was received setting out the high level findings from the Sheffield City Region Investment Fund (SCRIF) quarter 4 updates. It was noted these updates are based on a revised approach which provides a good overview of the programme. Members were advised 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. The report provided key updates on a project by project basis. It was noted 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. Members commented favourably on the style and content of the report and suggested such reports are a good way of demonstrating the potential positives of devolution. It was agreed that slippage, whilst somewhat inevitable, needs to be appropriately managed. Members considered what actions the IEB could take to help assist scheme promoters experiencing delivery issues and were informed that the SCR Executive Team is likely to experience a shift towards the provision of such services to scheme promoters. It was agreed that peer review processes will be a good way of helping schemes recover from or avoid delivery issues. Consideration was given to how addition ‘lessons learnt’ could be shared between the Partners. It was noted a fuller lessons learnt report will be presented to the next meeting. **Action: Mark to share more information regarding the M1 J36 scheme.** **RESOLVED, that the Board:** **1. Notes the contents of the report.**	
6	**Local Growth Fund 3 Process and Timescales**	

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<tr><td></td><td>A paper was received setting out the LGF3 submission process, internal timescales and next steps.

It was noted 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 Board was invited to discuss and endorse the proposed approach to the Fund

Members were reminded that a Devolution Deal ‘reward’ is the ability to submit a programme level bid, rather than a project level bid.

RESOLVED, that the Board:

1. 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. 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.

3. Notes the internal timescales that have been set and agreed in order to meet the 21 July 2016 Government deadline.</td><td></td></tr>
<tr><td>7</td><td><u>SCR’s Progress in Attracting Inward Investment</u>

As requested at the last IEB meeting, a paper was received setting out how infrastructure contributes to the attractiveness of SCR to inward investors and how the SCR Integrated Infrastructure Plan (SCR IIP) can support this and describe the role of the Inward Investment team and the progress Sheffield City Region (SCR) is making to attract Inward Investment

The report also provided an update on Inward Investment performance in the SCR and other Northern regions

The Board was 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.

The Board discussed the benefit of comparisons with other LEP areas nationally to determine relative inward investment performance.

It was agreed that the matters presented in the paper should be</td><td></td></tr>
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	explored in more detail with the Inward Investment Team **Action: Julie to convene a meeting for Inward Investment Team and IEB representatives** Members noted support for Dave Smith's plans to develop a more comprehensive SCR Marketing Strategy. Members also discussed the importance of ensuring the SCR has the right products to 'sell' to potential investors. It was suggested that links with inward investment might be strengthened by closer alignments between the transport, infrastructure and housing themes. Members acknowledged that the private sector might be best placed to act as a 'critical friend' to the SCR in helping it ensure its 'products' are fit for purpose. **RESOLVED, that the Board:** **1. Notes the progress being made by the SCR Inward Investment team.** **2. Notes how inward investment links with infrastructure in the SCR and the need for the IEB to maintain close liaison with the Inward Investment Team.**	
8	**<u>DfT Large Local Majors</u>** Members were provided with a paper explaining the 'large local majors' process. It was noted that DfT has invited LEPs to bid into a £475m Large Local Major Schemes fund, which forms part of the Local Growth Fund and was announced in the 2016 Budget. For the SCR LEP area, the minimum scheme size is £75 million. 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'. It was noted SCR has been working in partnership with local partners to consider potential bids. A call for schemes was issued to local partners and expressions of interest received. It was noted the deadline for bids is the 21 July 2016. SCR will present the proposed draft bids to the June CA and LEP meeting. Members where informed that DfT is expecting to receive no more than one or two bids from a single LEP, however, it has been agreed to submit expressions for 3 bids: • Supertram Replacement • AMID / LDV	

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- Pan Northern Connectivity - Trans-Pennine Through Routes

Further information was provided in respect of these schemes.

It was noted that a 4th suggestion (Doncaster Mass Transit) has been discounted on the grounds it doesn't meet the funders' bidding eligibility criteria.

Members requested that the Supertram Replacement EoI be given an alternate title e.g. 21st Century Mass Transit Project, and incorporate some of the sentiments contained in the Doncaster Mass Transit scheme.

Action: Julie / Dave to address

RESOLVED, that the Board:

1. **Notes the details of the competition and next steps.**
2. **Endorses the submission of 3 expressions of interest**
3. **Requests the Supertram Replacement scheme be retitled and revised (as above)**

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<tr><td>**9**</td><td>

<u>IEB Minutes</u>

The minutes of the previous meeting held on 22nd April were agreed to be an accurate record of the meeting.

Members revisited past discussions around the suitability of FLUTE for scheme assessments. It was suggested that FLUTE should be regarded as an 'informing tool' rather than a 'decision making tool'.

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<u>Agree Items for CA</u>

It was noted that intended DfT Large Local Majors bid and SCRIF Business Case decisions will be reported to the CA for endorsement.

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<u>Date of the Next Meeting</u>

15th July – Broad Street West, Sheffield, 10.00am

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