

Housing and Infrastructure Board

29 June 2022

Programme Approvals

Is the paper exempt from the press and public?	No
Purpose of this report:	Funding Decision
Is this a Key Decision?	No
Has it been included on the Forward Plan?	No

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

Carl Howard – Senior Programme Manager
carl.howard@southyorkshire-ca.gov.uk

Executive Summary

This report requests that the Board recommend release of development funding for one Brownfield Housing Fund (BHF) project. The report also requests variations to contract for existing Getting Building Fund projects which continue implementation in 22/23.

What does this mean for businesses, people and places in South Yorkshire?

This report is seeking approval for development funding and to enter into revised contracts for investment proposals which will support the Mayoral Combined Authority's (MCA's) aspirations.

Recommendations

The Board consider and approve:

1. Approval of £0.03m funding for development costs of the "Goldthorpe Pre-1919 Redevelopment" project from Barnsley Metropolitan Borough Council (BMBC).
2. Approval of seven change requests for existing Getting Building Fund (GBF) contracts to allow physical activity to complete during 22/23.
3. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes above.

1. Background

- 1.1 In June 2020, the Government launched 'A New Deal for Britain' which is a key part of the support for the post-pandemic economic recovery across the UK. As part of this strategy, £40.30m of capital funding and £0.84m revenue funding was allocated to the MCA to support the development of housing schemes on brownfield land up to the end of March 2025. A further allocation of £13.45m has been awarded in January 2022. This report seeks release of development funding for one BHF project.
- 1.2 Also in June 2020 the MCA was awarded £33.6m GBF to invest in 'shovel-ready' projects that provide stimulus to local economies. The funds were required to be defrayed by 31st March 2022 but during financial year 21/22 the Department for Levelling Up, Homes and Communities (DLuHC) allowed an extension for projects to conclude their GBF spending activity during 22/23. This report requests approval of changes to GBF contracts where they require extension into 22/23 to conclude their physical activity.

2. Proposals and Justification

2.1 Feasibility Funding

Goldthorpe Pre-1919 redevelopment

The 'Goldthorpe pre-1919 redevelopment' project is requesting approval at Mandate stage in the Brownfield Housing Fund Pipeline Paper at item 8 of the agenda. Development funding of up to 2% (up to £25,800) has been requested by Barnsley MBC to support the feasibility work for the **Goldthorpe Pre-1919 redevelopment** scheme. The funding will be used to commission expertise in support of business case development, including exploring the related option of unlocking the adjacent Local Plan site for future housing development.

- 2.2 The MCA Assurance Framework allows for up to 14% feasibility funding to be released to support and accelerate the development of projects for MCA investment and funding. For schemes with an MCA funding ask of between £1m-£5m, up to 2% of the total funding ask can be released at the Project Mandate approval stage. Whilst the Goldthorpe Pre-1919 redevelopment scheme has already received £53k development costs as part of the wider Goldthorpe Brownfield Housing Fund applications, a further £25,800 is considered acceptable in these circumstances so that the additional activity can be commissioned.
- 2.3 The Housing and Infrastructure Board are asked to approve £25,800 development funding for feasibility work to BMBC for the Goldthorpe Pre-1919 Redevelopment project.

2.4 Getting Building Fund

The Getting Building Fund comprised of fourteen projects which were aimed at providing local economic stimulus as the region emerged from the pandemic. Projects had to conclude their GBF expenditure by March 2022 with a further period up until March 2025 for spending other funding sources and monitoring outputs. The following projects concluded their GBF activity by March 2022:

Project	GBF Spent (m)	Stage
Barnsley College Digital Innovation Hub	£1.445	Project complete, monitoring outputs
Goldthorpe Strategic Land Assembly	£0.580	GBF spend complete, physical activity continuing via other funding sources
Better Barnsley Market Gate Bridge	£2.000	GBF spend complete, physical activity continuing via other funding sources
Barnsley Town Centre Public Realm	£1.755	Project complete, monitoring outputs
Digital Infrastructure	£0.629	Project complete, monitoring outputs
Construction Space	£0.991	Project complete, monitoring outputs
Total	£7.400	

2.5 The remaining projects did not conclude their GBF expenditure by March 2022 and therefore request to continue spending GBF into 22/23. DLuHC are aware and are supportive of these changes.

Project	Spend to date (m)	22/23 Spend Estimate
New Active Travel Footbridge	£0	£1.500
Quality Streets	£1.531	£3.969
Century II Business Centre	£0.813	£2.787
Rotherham Town Centre	£2.058	£0.122
Greasbrough Corridor Improvements 'The Whins'	£0.209	£0.558
Sheffield Heart of the City Breathing Spaces	£0.558	£3.442
Fargate Measures	£0	£6.000
Total	£5.168	£18.379

Some corresponding adjustments to the timing of milestones and outputs within contracts will be necessary to accommodate the delays in delivery.

2.6 For completeness, one final GBF project South Yorkshire Electric Vehicles (£2.624m) is already contracted for expenditure during 22/23, so is not subject to a decision here.

2.7 The Housing and Infrastructure Board are asked to approve the seven project changes to allow GBF expenditure in 22/23 set out in 2.4 above.

3. Options Considered and Recommended Proposal

3.1 Do not approve the recommendations in this report.

3.2 Option 1 Risks and Mitigations

The projects presented would lose the ability to spend and conclude their activity within the funding programmes. There is a risk that the projects would be incomplete or alternative funding sources would have to be found at short notice

3.3 Option 2

Award projects a smaller amount of grant funding.

3.4 Option 2 Risks and Mitigations

All funding awards associated with the projects have been fully appraised in line with the MCA Assurance Framework to ensure value for money. Any projects approved to develop FBCs will have their costs and funding tested on submission of their FBC. Funding for these projects is timebound by the funding bodies and any reductions is likely to cause deliverability issues for the projects.

3.5 Option 3

Approve all recommendations

3.6 Option 3 Risks and Mitigations

In approving the recommendations, projects will continue to deliver.

3.7 Recommended Option

Option 3

4. Consultation on Proposal

Project sponsors are required to publish business cases on their own websites (or an appropriate summary of the submission) and must consider all comments received as part of the project development and delivery.

5. Timetable and Accountability for Implementing this Decision

Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with each promoter.

6. Financial and Procurement Implications and Advice

6.1 The proposed investments presented in this report are all fully funded and within budget.

6.2 Challenging financial targets are set for the Brownfield Housing Fund. Further consideration and actions are contained within the BHF Pipeline paper at item 8.

7. Legal Implications and Advice

7.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices.

7.2 Prior to awarding the grants, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions

8. Human Resources Implications and Advice

N/A

9. Equality and Diversity Implications and Advice

Appropriate equality and diversity considerations are taken into account as part of the assurance of the project business cases

10. Climate Change Implications and Advice

The projects which request to deliver GBF funded activity during 22/23 include positive actions to help create a greener environment.

11. Information and Communication Technology Implications and Advice

N/A

12. Communications and Marketing Implications and Advice

The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

List of Appendices Included*

None

Background Papers

None