Appendix 1 Assurance Summary

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1 – SCHEME DETAILS			
Project Name	Thriving Town Centre	**Type of funding**	Grant
Grant Recipient	Barnsley Metropolitan Borough Council	**Total Scheme Cost**	£19,815,651
MCA Executive Board	Infrastructure Board	**MCA Funding**	£3,600,000 (MCA contribution to the Glass Works to date: £7.43m)
Programme name	Gainshare	**% MCA Allocation**	18%
Current Gateway Stage	FBC	**MCA Development costs**	n/a
		% of total MCA allocation	n/a

2 – PROJECT DESCRIPTION

The Thriving Town Centre project will complete the delivery of The Glassworks by securing high-quality tenants with an expanded capital budget for fit-out costs. The project will also help consolidate the retail offer within the town centre dealing with surplus units through the acquisition of 24-32 Cheapside. A number of tenants from 24-32 Cheapside will be supported to relocate to The Glassworks. Ultimately an Urban Park will be created on the site of 24-32 and this project represents the first phase in the Park's development.

Through these activities the project will deliver the following outcomes:

- The occupancy of The Glassworks by high-quality tenants is secured and accelerated dramatically improving the retail and leisure experience in the Barnsley.
- Excess retail units in the town centre are reduced consolidating the offer.
- Retail and leisure businesses in the town centre benefit from a more secure future with increased footfall, dwell time and spend.
- Safe and welcoming public realm with sustainable design principles reducing potential for anti-social behaviour and crime.

• Perceptions of Barnsley town centre are dramatically improved amongst residents and visitors leading to happier, healthier communities and a virtuous cycle of private sector investment. The applicant is requesting £3.6 million of MCA funding for the following: • £1.0 million for Cheapside – acquisition cost • £2.6 million for the Glassworks – Fit out contributions	
3. STRATEGIC CASE	
Options assessment	As part of the assessment of options, the applicant has considered a Do Minimum, a discounted Viable Alternative and the Preferred Option, In the Do Minimum option (i.e. without MCA investment) it has been noted that the applicant's matched contribution would be £1m greater than in the Preferred Option. The additional funds are as a result of the need to undertake further prudential borrowing; however, given the applicant's high existing level of debt, this is not considered a viable option. The Preferred Option allows the applicant to proceed without taking on further debt and enables the full Glassworks programme, as well as the maximum level of benefits. It is clear from the rationale why the Preferred Option has been considered, as this is the only option which will fully meet the SMART objectives of the scheme. It is stated in the business case and following clarification with the applicant, that they are likely to seek further funding in the future for the Do Max option (inclusion of the Urban Park). If future MCA funding is requested, it is recommended that further business case work is undertaken to ensure the rationale behind this is clear and that the benefits/scope of the delivery are additional to those in the preferred option.
Statutory requirements and adverse consequences	The applicant states that the project does not require any statutory permissions. The applicant has highlighted that not all tenants for the Glassworks have been secured and there is the potential for unoccupied space at both Glassworks and Cheapside. The applicant has stated that one of the three tenants at 24-32 Cheapside does not wish to relocate. Their tenancy runs to 2023/24 and if they choose to remain, this could delay the demolishing of Cheapside and subsequently the Urban Park creation. It has not been possible to determine the impact of this on the value for money position of the project. BMBC will continue discussions with the tenant and will encourage them to take space at The Glassworks, or elsewhere in the town centre.
FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).	The project aligns with both the SEP and RAP: The overarching policy objective of growth: 'growing the economy and enhancing its strength and resilience.' The project aims to achieve the full occupation of The Glassworks, thereby supporting Barnsley's growth through increased town centre visitors, dwell-time and spend. The project also aims to make the town a much more attractive place to live and do business.

	The SEP highlights an ambition to achieve 'vibrant and resilient places' with 'the towns of Barnsley, Doncaster, and Rotherham, and Sheffield's city centre well placed to build on their current entrepreneurial and creative advantages to unleash the full economic potential.' The project will make a major contribution Barnsley Council's vision for the town centre and help unleash its economic potential.

4. VALUE FOR MONEY

Monetised Benefits:

VFM Indicator	***Value***	***R/A/G***
Net Present Social Value (£)	£2.6m	G
Benefit Cost Ratio / GVA per £1 of SYMCA Investment	3.43	G

Value for Money Statement

The scheme does represent acceptable value for money.

Both the monetised and non-monetised benefits and costs associated with the scheme have been considered. The monetised Benefit-Cost Ratio (BCR) has been estimated at 3.43 for the preferred option based on an assessment of Direct Land Value Uplift and Distributional Impacts.

A BCR of 3.43 represents "High" Value for Money according to HM Treasury's classifications. When also taking into account the Non-Monetised Impacts, the VfM category is further supported and overall, the scheme will still deliver acceptable" Value for Money.

The the direct land value uplift associated with the scheme has been modelled. Rents are based on current income levels and are consistent with Co-Star (subscription based real estate values). This used to sense check the assumptions made. A 2.5% increase in rents for the preferred option is reasonable given the location and the type of land use of the scheme.

5. RISK

Key risks as identified in the business case include:

1. The rise of new COVID-19 variants leads to lockdown measures being re-introduced which prevent the opening of non-essential retail and hospitality businesses. BMBC indicate they have little control over the mitigation of this risk.
2. Given the on-going uncertainty around the lifting of pandemic lockdown restrictions, prospective tenants may ultimately choose not to conclude negotiations and not take space at the Glass Works. To mitigate this BMBC Officers have remained in close contact with prospective tenants through the COVID-19 outbreak and lockdown. Prospective tenants appear committed to taking space, but their expectations for the level of inducements have risen significantly.
3. Upon acquiring the property, two of the three tenants may choose not to take up space in the Glass Works and either choose alternative space in the town centre or close their outlets in Barnsley. If this risk materialises it will weaken one of the Council's desired objectives to secure full occupation of the Glass Works. Other objectives will still be met, which are to rationalise excess retail space and develop high-quality public realm and greenspace.

4. Risk: It takes longer to conclude individual negotiations than anticipated leading to some expenditure slipping into 2022/23. If there are delays in a considerable number of the on-going negotiations this could lead to the Gain Share allocation not being fully spent as currently forecast.

The applicant has stated that the total risk associated with the scheme built into the cost plan is £9.3 million which represents approximately 47% of the total cost.

Any over-runs would be met by Barnsley Council.

6. DELIVERY

The timetable seems reasonable, and the applicant has confirmed that Cheapside has been purchased.

Degree of cost certainty hs been pegged at 95%. This is consistent with the details provided on the agreed/incurred acquisition costs and the approach to agreeing the overall budget for fit-out costs based on discussions with prospective tenants. This means that there is no room for cost overruns.

The applicant has provided an organogram of how Barnsley Council is structured into five directorates. The team responsible for delivering the Thriving Town Centre project sits within the Place Directorate with the project being led by the Town Centre Regeneration Team. A dedicated Project Manager will be assigned to each of the key elements, with one team member leading on the completion of Glassworks and another on the acquisition of 24-32 Cheapside. A brief biography of the key team members involved in delivering the Thriving Town Centre is provided in the management case.

Alex Richardson, Group Leader of Regeneration, has been identified since submission of the business case as the Senior Responsible Officer for the project.

An evaluation report will be completed in house by May 2024 and will be shared with the MCA. The report will focus on progress on the measures of success listed in the table above. It will also provide analysis of the project's performance on the monitoring metrics and explore how effective the project was designed and delivered. The Council will continue monitoring measures of success through to at least 2027 and this will enable a longer-term analysis of the project's performance to be completed.

7. LEGAL

The applicant has received independent legal advice in relation to the capital fit-out inducement budget. This advice was received before the introduction of the new Subsidy Regime and confirmed that the approach met EU state aid rules. They have also stated how the scheme reflects the new Subsidy Control regime above. MCA legal have also had sight of the Subsidy Control information as presented in the business case and are satisfied with the information provided.

8. RECOMMENDATION AND CONDITIONS

Recommendation	Approve subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions to be included in the contract.

1. Clawback on outcomes at the MCA's discretion

The following conditions must be satisfied before contract execution.

2. Evidence of internal Board approval to proceed.
3. Solicitor's opinion to confirm Subsidy Control position.
4. Confirmation of the definitive set of outputs and outcomes which the MCA will contract against and monitor.
5. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.
6. Provide evidence of public support for the project
7. Confirmation that the matched funding is in place and the amount has not changed.
8. Confirmation that the capital costs requested are fixed and are not subject to change, nor will the scope of the project be reduced if there are cost overruns.

The following conditions must be satisfied before drawdown of funding.

9. All required statutory consents including planning enquiries must be satisfied
10. Ensure that the Monitoring and Evaluation plan covers all outputs/outcomes related to the project including changes in rental income and yield rates. M+E should be tailored for this project even though there is the potential overlap with the Levelling-Up Fund. As part of the evaluation of the project, data regarding rental prices and yield rates should also be compared to across time considering these are the main assumptions that derive the economic benefits associated with the scheme.