

Assurance Summary (SBC)

VERSION 1 24.11.2021



1 – SCHEME DETAILS

Project Name	Barnsley Civic Eldon Street Capital Development	Type of funding	Grant
Grant Recipient	BMBC on behalf of Barnsley Civic Enterprise Limited	Total Scheme Cost	£2,596,300
MCA Executive Board	Housing and Infrastructure	MCA Funding	£1,188,180
Programme name	Gainshare	% MCA Allocation	44%
Current Gateway Stage	SBC	MCA Development costs	n/a
		% of total MCA allocation	n/a

2 – PROJECT DESCRIPTION

The overall funding ask from the MCA is for £1,188,180 to contribute to the successful delivery of £2,596,300 project to redevelop the Civic, a landmark cultural building within the town centre. This equates to a 44% intervention rate.

Other funding is secured through both public and private sectors. With £1.2m from the Heritage Action Zone (pubic) and £0.16m from the Civic's fundraising and £0.048 from the Architectural Heritage Fund (AHF). Without MCA funding there is a £1.1m funding gap which is attributed to cost and supply chain increases.

The SBC outlines that MCA funding is required to implement the full redevelopment proposals for the Civic. This includes a renewed frontage on to Eldon Street, facing the Glassworks, with proximity to the transport interchange. The full funding package will enable the Civic to deliver significant new commercial, food and beverage (F&B) space at ground and first floor levels, as well as new office provision and creative space for community groups.

It is only with the MCA's investment that this floorspace can be developed and the applicant can realise the mix of quantifiable and wider socio-economic benefits (e.g. employment, improved access, wellbeing and social value benefits) the project aims to deliver, alongside other building improvement and heritage benefits.

3. STRATEGIC CASE

<i>Project rationale</i>	<p>The SBC outlines a clear rationale and justification for public funding. Public investment in the Civic is required to bring back to prominence and significant cultural building within the town. The not-for-profit operator does not have the resources to undertake such major capital works and is reliant on fundraising and other public funding sources.</p> <p>Given the Civic's role in the town as an anchor cultural and creative building, serving a wide range of users, including services for young people, the applicant has clearly outlined how the proposed redevelopment addresses market failures and represents 'public good' which will deliver positive externalities for Barnsley. Through investment, the Civic will be able to maintain and extend its services, while attracting new users/visitors and being a key part of the town centre's wider regeneration agenda.</p>																
<i>Strategic fit</i>	<p>The Civic is a project which can deliver across a range of strategic outcomes identified in the SEP.</p> <p>The SBC outlines how the project will support the 'Stronger' outcome through the creation of new businesses and employment in the knowledge and creative sectors, as well as the F&B sector, supporting the growth of the local economy as well as providing a mix of employment and skills opportunities for local people.</p> <p>In addition, the project has a clear focus on inclusivity and participation through the delivery of a mix of new job roles, as well as a focus on wellbeing and education through encouraging participation in activities, workshops and classes. Cultural and creative activities can support people to develop new life skills and provide wellbeing (mental and physical) benefits to participants.</p> <p>In terms of the 'Greener' outcome, the Civic will be redeveloped to BREEAM 'Very Good' standards which is a high standard for a heritage building.</p>																
<i>Proposed Outcomes</i>	<table border="1"> <thead> <tr> <th>Outputs/Outcomes</th><th>Preferred Option</th></tr> </thead> <tbody> <tr> <td>Outputs:</td><td></td></tr> <tr> <td>Commercial floorspace (F&B)</td><td>486m²</td></tr> <tr> <td>Commercial floorspace (Office)</td><td>239m²</td></tr> <tr> <td>Outcomes:</td><td></td></tr> <tr> <td>Gross FTE additional employment</td><td>36</td></tr> <tr> <td>Gross FTE additional employment in higher order occupations (SOC 1-3)</td><td>11</td></tr> <tr> <td>Productivity (Gross Value Added: GVA)</td><td>£4.3m (NPV over 10 years)</td></tr> </tbody> </table>	Outputs/Outcomes	Preferred Option	Outputs:		Commercial floorspace (F&B)	486m ²	Commercial floorspace (Office)	239m ²	Outcomes:		Gross FTE additional employment	36	Gross FTE additional employment in higher order occupations (SOC 1-3)	11	Productivity (Gross Value Added: GVA)	£4.3m (NPV over 10 years)
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4. VALUE FOR MONEY

As part of the option and economic outcomes overview, the applicant has provided quantifiable outputs and outcomes for the new floorspace which will be created for commercial F&B and office uses, as well as estimates of gross additional employment and GVA. The FBC stage will require more detail on how the preferred option's outputs and outcomes have been assessed/estimated (gross and net additional employment) and whether there are any further benefits which can potentially be quantified. The FBC will also need to include BCRs.

The SBC also includes a clear overview of some of the project's wider, non-quantifiable, benefits. These include references to wider economic value in the town centre from increased footfall and visitor spend, vibrancy and social value of the project in the town centre, the building's environmental credentials, as well as the health and wellbeing benefits derived by participants.

Further consideration should also be given by the applicant to whether any of the wider benefits identified can be quantified (e.g. the social value/wellbeing of participation in the creative sector).

5. RISK

Top 5 delivery risks:

1. Potential cost over runs (Likelihood = Med, Impact = Med)
2. Scope of works increases operation costs (Likelihood = Med, Impact = Med)
3. Revenue forecasts (Likelihood = Med, Impact = Med)
4. Unforeseen asbestos (Likelihood = Low, Impact = High)
5. Unable to procure a suitable contractor (Likelihood = Medium, Impact = High)

All risks appear to have appropriate mitigation measures in place.

The applicant has also completed a risk register as part of the SBC. Top 5 risks and the risk register include some risks which may now have a lower likelihood of arising by the FBC stage. For example, costs, contractor procurement, scope of works. The applicant should ensure that the FBC includes an up-to-date reflection on project risks, their likelihood and impact, and mitigation.

6. DELIVERY

The SBC outlines how the project has been comprehensively developed by the project team. The project technical designs are at RIBA Stage 4 (technical design), with well-developed costs (75% cost certainty), planning permission secured and construction procurement well advanced (End of October 2022 – clarification responses state that the preferred contractor has been identified). The applicant is seeking to submit an FBC to MCA in December 2022 with works commencing 1st February 2023 and completed by early November 2023.

The applicant outlines how MCA funding is critical to meeting their project timescales and that there are no opportunities for acceleration. This seems appropriate given the start date is only a few months away. However, given the scale of development, MCA to clarify if all of the work can be concluded within the proposed 10 months or if these timescales need to be reviewed.

Annex 1 – Strategic Policy Fit

To what extent does the project meet the MCA's strategic objectives as set out in the of the MCA Corporate Plan 2021-22?

Outcome	Strategic Objective	R/A/G Rating	Comments
Stronger Achieve sustained good growth, underpinned by productivity gains that exceed the UK average	Leading an economic transformation by: 1. creating not just a bigger economy but a better one: higher-tech, higher skill, and higher-value - backing wealth and job creators	G	
	2. enabling businesses to survive, adapt and thrive and be more innovative and resilient as we come out of the pandemic and resulting economic downturn	A	
	3. stimulating local economies by investing in the infrastructure, transport and digital capabilities to create jobs and transform places	G	
Greener Drive forward environmental sustainability to achieve our net-zero carbon target by 2040	Leading a green transformation by: 4. decarbonising our economy, regenerating the natural environment and accelerating Net Zero Carbon transition	G	
	5. capitalising on technological and scientific capabilities to improve the resilience and quantum of clean energy supply, storage, distribution and usage	R	
	6. revolutionising transport, getting South Yorkshire moving by foot, bike, bus, tram and train	R	
Fairer Unlock prosperity by eliminating the wage gap and health inequalities between South	Leading a wellbeing and inclusion transformation by: 7. raising quality of life, reducing inequality, and widening opportunity for South Yorkshire people	A	
	8. equipping people to contribute to and benefit from economic prosperity	R	

Yorkshire and the national average	9. supporting people to improve their skills, get back to work, remain in or progress in work, or set up in business and thereby accelerate social mobility	R	
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8. RECOMMENDATION AND CONDITIONS	
Recommendation	Proceed to FBC
Payment Basis	
Conditions of Award (including clawback clauses)	