

Assurance Summary

VERSION 1 24.11.2021



1 – SCHEME DETAILS

Project Name	Grimm & Co	Type of funding	Grant
Grant Recipient	Grimm & Co	Total Scheme Cost	£2,969,000
MCA Executive Board	HIB	MCA Funding	£617,000
Programme name	Gainshare	% MCA Allocation	21%
Current Gateway Stage	BJC	MCA Development costs	-
		% of total MCA allocation	-

2 – PROJECT DESCRIPTION

Is it clear what the MCA is being asked to fund?

Yes. Funding of £617k is requested to contribute to the renovation of a Grade II listed church in Rotherham Town Centre. The funding is specifically for the internal fitout. A tender exercise for the internal fitout works was completed in Jun22 where costs came back significantly higher than expected. Although the chosen contractor was the lowest priced (as well as the highest scoring tender submission) they are still over the original budget which has led to this funding request of £617k to cover the cost increases, alongside £110k provided by Key Fund.

This scheme will provide a 'hub' for Grimm & Co (a registered charity) to support under-resourced children and young people aged 0 - 18 with their confidence and skills around creativity and writing. Examples of programmes planned to be delivered in the new 'hub' by Grimm & Co include: workshops to school children focusing on creative writing; sessions aimed at engaging teachers in professional development; production of digital resources to encourage writing; and a 'festival of stories'.

In addition to this, the renovated church will also include:

- Story themed café (The Feastery)
- Book shop (The Book Nook)
- Entertainment zone (Cliffhanger Castle)

3. STRATEGIC CASE

<p><i>Options assessment</i></p>	<p><i>Is there a clear rationale for the selection of short-listed options and the choice of the Preferred Way Forward?</i></p> <p>An options assessment has been undertaken with a do minimum / do nothing option as well as one alternative viable option considered. The viable alternative related to a reduced specification design for the internal fit out. A rationale has been provided for why the chosen option has been selected – that the Grimm offer is predicated on quality and inspirational finish and not achieving that would impact on the resulting benefits and social value impact.</p> <p>No option to use a lower cost contractor was considered as the winning tender (from Lumsden Design Ltd) was the lowest priced and highest scoring tender received.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p><i>Does the scheme have any Statutory Requirements?</i></p> <p>Planning permission is applicable. Approval for the renovation has been received, although planning for the external signage is still outstanding. This is expected to be received in Mar23.</p> <p><i>Are there any adverse consequences that are unresolved by the scheme promoter?</i></p> <p>If funding is not approved there is a risk that Grimm & Co will lose the main contractor which will likely lead to either cost increases or significant delays due to having to go back out to tender.</p>
<p><i>FBC stage only – Confirmation of alignment with agreed MCA outcomes (Stronger, Greener, Fairer).</i></p>	<p>The scheme is aligned in particular to the ‘stronger’ and ‘fairer’ outcomes. The scheme aims to contribute to the town centre economy by its presence and footfall generation, as well as to wellbeing, inclusion and quality of life across the Borough, South Yorkshire and beyond through the unique Grimm offer.</p>
<p>4. VALUE FOR MONEY</p>	
<p>Value for Money Statement</p>	
<p>The social value outcomes delivered by the project over a 10-year period are presented and quantified in Appendix B of the business case submission. These are averaged and summarised below:</p> <ul style="list-style-type: none"> • 11,500 hours (per annum) of staff volunteering time provided to support local community projects • 8,200 site visits (per annum) for school children or local residents • 400 weeks (per annum) of apprenticeships on the contract (Level 2, 3 or 4+) • £305k (over 10 years) spent in local supply chain through contract • £53k (per annum) invested in innovative measures to promote local skills and employment to be delivered on contract • £35k (per annum) invested in innovative measures to promote and support responsible business to be delivered on the contract • £20k (per annum) invested in innovative measures to enable healthier, safer and more resilient communities to be delivered on contract 	

- 21-48 local direct employees (over 10 years) hired or retained on contract
- 2 care leavers (per annum)
- 27,000 hours (per annum) of staff time spent on local school and college visits.

It is considered that a quantified (non-monetised) approach to valuing the project benefits, as set out above, is the most appropriate method for assessing value for money, due to the nature and strategic objectives of the project and based on the level of MCA funding requested. On this basis, the quantum of benefits relative to the funding request is estimated to provide very good value for money. Although not required, it is likely that if the benefits above were to be monetised using data from The National TOM's Framework, the project would deliver a high BCR and NPV.

5. RISK

What are the most significant risks and is there evidence that these risks are being mitigated?

The top 5 key risks are:

No.	Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
1	Rising material cost	Med	Med	Agree fixed price for bulk materials with order submitted as soon as funding confirmed to prevent delays	Lumsden
2	Supply chain and delivery issues	Med	Low	Ascertain lead times early and build into programme	Lumsden
3	Delay to completion of construction phase and handover of building, ready for fit out works to commence	High	Med	Management of construction phase completion by project manager. Prioritise areas and coordinate fit out schedule to avoid overlap	Grimm & Co
4	Lack of funds to complete all fit out works	High	Med	Contingencies allocated across all elements of budget. Risk held by contractor to ensure works can be completed	Grimm & Co
5	Unforeseen delays to manufacture	Low	High	Appoint suppliers early and agree programme for design development	Lumsden

Are there any significant risks associated with securing the full funding for the scheme?

No, all funding is in place other than the amount requested from SYMCA.

Are there any key risks that need to be highlighted in relation to the procurement strategy?

No, the procurement of the main contractor (Lumsden Design Ltd) is complete. The only risk relates to delays to funding which may result in losing the main contractor.

6. DELIVERY

Is the timetable for delivery reasonable?

Yes – fitout works are scheduled to commence in Feb23 with the project opening scheduled for Jun23. This is a soft opening with the grand opening scheduled for Jul23 which could allow for some delays if necessary.

Is the procurement strategy clear with defined milestones?

Yes, procurement of the main contractor is complete.

What is the level of cost certainty and is this sufficient at this stage of the assurance process? Has the promotor confirmed they will cover any cost overruns?

Cost certainty is 95% which is sufficient for this stage. The BJC highlights that costs were recently reviewed by the contractor to ensure they are up to date.

It has been confirmed that cost overrun liabilities sit with the contractor meaning SYMCA will not be liable.

Has the promoter demonstrated clear project governance and identified the SRO? Has the SRO or other appropriate Officer signed off this business case?

Yes.

Has public consultation taken place and if so, is there public support for the scheme?

Various elements of consultation are noted as having taken place. This includes with staff, volunteers, schools, parents and young people to inform the design of the building to ensure it is fit for purpose. Consultation was undertaken with SEND schools to ensure neuro-diversity and physical accessibility needs were taken into account.

Evidence has been provided of various news articles from the Guardian and Rotherham Advertiser. The latter published an article which included a poll regarding the plans for the site and 93% of the responses demonstrated support for the proposed plans.

Are monitoring and evaluation procedures in place?

It is noted in the BJC that Rotherham Council will provide support on monitoring and evaluation, and that reports from Grimm & Co will be provided throughout the project, on completion and post completion.

7. LEGAL

Has the scheme considered Subsidy Control compliance or does the promotor still need to seek legal advice?

Legal advice has been received from Anthony Collins Solicitors which concluded that the funding requested should be treated as a subsidy. The assessment framework set out in the Statutory Guidance has been followed.

8. RECOMMENDATION AND CONDITIONS

Recommendation	Proceed to funding award
Payment Basis	Defrayal
Conditions of Award (including clawback clauses)	

Conditions of Award (including clawback clauses)

The following conditions to be included in the contract.

1. Any allocated funding drawn down and not committed by the deadline is returned through the inclusion of funding clawback mechanism as part of the grant agreement.
2. Applicant will cover any cost overruns
3. Clawback on outcomes at the MCA's discretion

The following conditions must be satisfied before contract execution.

4. Evidence of internal Board approval to proceed.
5. Confirmation that the subsidy control advice is satisfactory and to be agreed by MCA legal team.
6. Confirmation of the definitive set of outputs and outcomes which the MCA will contract against and monitor.
7. 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.

The following conditions must be satisfied before drawdown of funding.

8. All required statutory consents including planning enquiries must be satisfied.