

Mayoral Combined Authority Board

06 March 2023

Programme Approvals

Is the paper exempt from the press and public?	No
<i>Reason why exempt:</i>	Not applicable
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	Yes

Director Approving Submission of the Report:

Gareth Sutton, Chief Finance Officer/s73 Officer

Report Author(s):

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Executive Summary

This report requests the progression of 12 capital schemes, subject to conditions set out in the Assurance Summaries, and the release of development funding and approval for the allocation of Department of Education Multiply Funding.

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

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the MCA's aspirations.

Recommendations

This report recommends that the Board:

1. Approve the following schemes and grant delegated authority to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for:
 - a. Progression of "Rotherham Town Centre Active Travel Package – Sheffield Road Phases 1-3" Full Business Case (FBC) to full approval and award of £8.6m grant

- to Rotherham Metropolitan Borough Council subject to the conditions set out in Appendix A
- b. Progression of “Kelham - Active Travel and Public Transport” from FBC to full approval and award of up-to £16.05m to Sheffield City Council (SCC) subject to the conditions set out in the Assurance Summary attached at Appendix B.
 - c. Progression of “A.631 Rotherham to Maltby Bus Corridor” from FBC to full approval and award of £2.55m to Rotherham Metropolitan Borough Council (RMBC) subject to the conditions set out in Assurance Summary attached at Appendix C.
 - d. Progression of “Electric Community Transport Minibus Project” from FBC to full approval and award of £1.4m to South Yorkshire Mayoral Combined Authority subject to the conditions set out in Assurance Summary attached at Appendix D.
 - e. Progression of “Market Gate Bridge” from FBC to full approval and award of £2.5m to Barnsley Metropolitan Borough Council subject to the conditions set out in Assurance Summary attached at Appendix E
 - f. Progression of “AMRC-HiComms” from SBC to OBC subject to the conditions set out in Assurance Summary attached at Appendix F
2. Delegate authority for the approval of the proposals for the following schemes to the Head of Paid Services in consultation with either the relevant Thematic Board, or, in the absence of a Thematic Board due to timing, the Co-Chairs of such Board:
 - a. Progression of “Rotherham Markets and Libraries” from FBC to full approval and award of £3.4m to Rotherham Metropolitan Borough Council
 - b. Progression of “West Bar” from FBC to full approval and award of £3m to Sheffield City Council
 - c. Progression of “Doncaster Waterfront” from FBC to full approval and award of £6.5m to Doncaster City Council
 - d. Progression of “D0049” from FBC to full approval and award of £7m loan Hybrid
 - e. Progression of “D0060” from FBC to full approval and award of £1.5m equity funding
 3. Allocation of “Transport Network Asset Maintenance” and “Local and Neighbourhood Transport Complementary Programme” funding as detailed in para 2
 4. Allocation of Multiply funding as detailed in para 3

Consideration by any other Board, Committee, Assurance or Advisory Panel

Assurance Panel	08 February 2023
Assurance Panel	20 February 2023
Education Skills and Employability Board	06 February 2023
Transport and the Environment Board	09 February 2023
Business Recovery and Growth Board	09 February 2023
Housing and Infrastructure Board	07 February 2023

1. Background

- 1.1 This report seeks approval from the MCA Board for four capital investment schemes and the progression of one scheme to progress to the outline business case stage.
- 1.2 The report further recommends that the Board delegate authority to approve four schemes that are currently still progressing through processes to the Head of Paid Service in consultation with the Chairs and Vice Chairs of the relevant thematic

boards. This recommendation reflects the need to have these schemes approved by the end of March to meet other funding and delivery requirements and the challenges of the MCA's meeting cycle ahead of the May elections.

- 1.2 The report further details the allocations of Transport Network Asset Maintenance, Local and Neighbourhood Transport Complementary Programme and Skills Multiply programme funding and requests delegated authority to enter into legal agreements for the named schemes.
- 1.3 The report provides details on each project and outlines how schemes would be funded.

Approval Recommendations

1.4 RMBC Rotherham Town Centre Active Travel Package – Sheffield Road Phases 1-3 Progression to Contract Award

This project seeks £8.61m funding towards total project costs of £9.74m at an intervention rate of 84%. The project is funded from its Transforming Cities Fund allocation.

This project will deliver improvements to the A6178 Sheffield Road to facilitate active travel between Tinsley and Rotherham Town Centre. The scheme has been split into three phases which includes:

Phase 1: new cycle tracks between the borough boundary and Bessemer Way.

Phase 2: new cycle tracks between Bessemer Way and Centenary Way.

Phase 3: improved conditions for walking and cycling between Centenary Way and the town centre and will support wider town centre regeneration.

Benefits and Outcomes

The project will deliver the following outputs:

- 4.9km of route for non-motorised user - This is predominantly segregated cycle routes, with some on carriageway cycle lanes and improved pedestrian spaces
- 3 new road crossing
- 2 improved road crossing

The project will also contribute to the following outcomes:

- Increased walking journeys
- Increased cycling journeys

The project returns a benefit cost ratio of 1.5 along with health improvements and carbon reduction.

Appendix A provides a summary of the project assurance and suggested conditions of award.

1.5 SCC

Kelham (Active Travel and Public Transport) Progression to Contract Award

This project seeks up to £16.05m funding towards total project costs of £16.05m. The project is funded from its Transforming Cities Fund allocation.

The Kelham Active Travel and Public Transport (KATPT) scheme is part of Connecting Sheffield. Sheffield City Council (SCC) are seeking to enhance transport connectivity between the areas of Kelham and Neepsend with enhancements to active travel infrastructure (including the creation of a Dutch style Roundabout) and from those areas to the city centre by active travel modes and public transport.

Priority for public transport will enhance bus journey times and reliability to and from the city centre and along the corridor in the direction of Hillsborough and beyond.

The project aims to deliver safer, direct and more attractive walking and cycling journeys connecting Sheffield City Centre to Kelham and Neepsend along with enhanced attractiveness of bus use through journey time consistency and improved reliability by prioritising buses over general traffic. This corridor forms an important route for buses serving a high passenger demand, both current and potential

Benefits and Outcomes

The project will deliver the following outputs:

- 0.80km New Cycleway
- 0.80km Active Travel Route
- 14220 sqm Improved Public Realm
- 5 New Crossings
- 9 Improved crossings
- 4 New Cycle Parking
- 2 New Bus Gates
- 0.11km Length of New/Improved Bus Lane

Further details of the schemes and risks are included in the Assurance Summary at Appendix B.

1.6 RMBC

A.631 Rotherham to Maltby Bus Corridor Progression to Contract Award

This project seeks £2.55m from TCF2 towards total project costs of £3.16m. The project is funded from its Transforming Cities Fund allocation.

The project will enable a package of priority bus improvements on the A631 between Maltby and Rotherham where there are currently delays in bus journey times at peak times. These are:

- The construction of an additional bus lane between Addison Road, Maltby and Denby Way, Hellaby
- An extension of the existing bus lane at Wickersley School towards the water works, as an additional lane,

- Changes to the bus stop at Brecks Crescent

However, because of increased cost of the scheme, changes to the bus stop at Brecks crescent will only go ahead if risks are not realised and can be managed within the MCA funding for this scheme or funding vired from another RMBC TCF Scheme (if there is any flexibility remaining).

Benefits and Outcomes

The project will deliver the following outputs -

- 1.4km of new/improved bus lane
- 2 New/improved crossings

The project will also contribute to the following outcomes -

- Increased bus patronage
- Enabling people to access opportunities for education, jobs and training sustainably by improving the reliability and journey times of the bus service along the route.

Appendix C provides a summary of the project assurance and any suggested conditions of award.

1.7 **SYMCA** **Electric Community Transport Minibus Project** **Progression to Contract Award**

This project seeks £1.4m towards total project costs of £1.76m at an intervention rate of 80%. This project is funded from the Gainshare resource committed to it in March 2021.

The project will replace 11 diesel minibuses with electric vehicles specifically for Community Transport usage.

Benefits and Outcomes

The numbers of vehicles to be replaced at each depot is shown below:

Sheffield: 5 electric CT minibuses + infrastructure
 Barnsley: 2 electric CT minibuses + infrastructure
 Rotherham: 2 electric CT minibuses + infrastructure
 Doncaster: 2 electric CT minibuses + infrastructure

The project aims to meet all high-level objectives – Stronger, Fairer, Greener - the latter being the primary aim, but focussed on a vulnerable grouping and with wider economic impacts. The project will also contribute towards Carbon Net Zero.

Appendix D provides a summary of the project assurance and any suggested conditions of award

1.8 **BMBC** **Market Gate Bridge** **Progression to Contract Award**

This project seeks £2.5m towards total project costs of £12.05m at an intervention rate of 21%. This project will be funded from the Barnsley allocation of the Gainshare delivery-ready capital project funding.

This project aims to construct a new equality accessible pedestrian bridge over the main Sheffield to Leeds railway line in Barnsley.

This scheme was already approved by the MCA for funding from the TCF and GBF programmes. Subsequent to the approval the scheme has encountered increased costs are a result of unforeseen delays and cost risks – including the main contractor going into administration and diversion of uncharted gas mains. The scheme is at an advanced stage of delivery with costs fixed with the main contractor. The total costs have increased by £4.4m of which £1.9m is being covered by the promoter

Benefits and Outcomes

The project will deliver -

- A new footbridge for pedestrian and cyclists
- A new/improved active travel route

The project will also contribute to the following outcomes -

- A 21% increase in walking journeys
- A 350% increase in cycling journeys
- Improved air quality and environmental impacts

The scheme has a strong strategic rationale in terms of supporting the economic growth and regeneration of the town centre by linking the east of the railway station with the west now that the level crossing is no longer operational.

By providing a more accessible route over the railway line for pedestrians and cyclists it will enable the permanent closure of the existing Jumble Lane temporary crossing. This project will extend the facility to existing cyclists and the mobility impaired, reducing crowding and congestion and catering for future growth.

Appendix E provides a summary of the project assurance and any suggested conditions of award.

1.9 The University of Sheffield Advanced Manufacturing Research Centre (AMRC) Lightweighting UK (HiComms) Progression from SBC to OBC

This project represents the second phase of the Lightweighting UK programme, complementing existing activity at Rotherham. The project is jointly sponsored between Doncaster MBC and the MCA and has already attracted considerable private funding.

The project is currently bidding for funding from Government grant streams, including Aerospace Technology Institute funding (ATI) and the UK Research Partnership Investment Fund (RPIF).

The AMRC are seeking support from the region for the build of a new facility, with regional money complementing the RPIF bid. A number of potential sites for the facility have been identified with discussions ongoing with Government and private funders.

Whilst discussion around the total value of public subsidy required is ongoing it is expected that it could be up to £14m. Funding could be drawn from Doncaster's Place Plan allocation and the MCA's allocation of either the delivery-ready capital fund or the longer-term regional allocation.

The Advanced Manufacturing Research Centre will be an open access research facility of 3,823m² housing a unique capability supporting development of world-class future composites manufacturing in the UK at both scale and rates never previously attempted. The outcomes will be exploitation of the benefits of composite materials and automated manufacturing of large-scale components, including lightweight structures; corrosion resistance and fatigue resistance on large high-rate components; increased productivity; reduction on CO₂ emissions and through life costs; maintenance, consumables and material waste. The project will demonstrate that the UK is a global R&D world leader, turning science and ideas into solutions; attracting people with world-leading skills and talent to the UK.

The new Centre is intended to complement the existing activity undertaken at the AMRC's centre in Rotherham.

Benefits and Outcomes

- This project safeguards and grows the UK-based manufacturers, the wealth creators on which all public funding is ultimately dependent.
- Jobs will be created; supply chain jobs will be safeguarded, and
- manufacturing benefits will be seen across the region through extended supply chains

Appendix F provides a summary of the project assurance and any suggested conditions of award

Delegation Recommendations

1.10 **RMBC Rotherham Markets and Library Complex Progression to Contract Award**

This project seeks £3.4m towards total project costs of £28.68m at an intervention rate of 11%. This project is initially to be funded from Rotherham's allocation of the Gainshare delivery-ready capital resource. An opportunity may exist to switch this scheme into other funding into the future.

The project will deliver enhancements to the Rotherham markets providing a modern and efficient facility. Developments will include elements of flexible space, suitable for easy adaptation to host temporary and changing uses, whilst also reflecting the primary purpose of the facility in providing a place for small business owners to trade and engage with customers.

The proposed development will safeguard the sustainability of the markets, ensuring they remain as the beating heart of the town centre of Rotherham, acting as a key hub for the local community. Providing space to shop, meet and relax, for both local residents and visitors.

Benefits and Outcomes

The project will deliver.

- 70 full-time equivalent (FTE) jobs safeguarded
- 10 FTE jobs created
- 30 temporary full-time jobs supported during implementation
- Reduced crime rates and anti-social behaviour in the town centre by 5%

Under delegation, this scheme would be considered at the Housing & Infrastructure Board.

1.11 **SCC**

West Bar

Progression to Contract Award

This project seeks £3m towards total project costs of £300m at an intervention rate of 1%. This project is initially to be funded from Sheffield's allocation of the Gainshare delivery-ready capital resource. An opportunity may exist to switch this scheme into other funding into the future.

This project is the delivery of Sheffield's second largest city centre regeneration scheme. Whilst the site is in a strategic location, the area has been rundown and largely impenetrable for many years due to large walled off plots and semi-derelict buildings and most Sheffield residents are unaware of it.

The success of West Bar is largely dependent on achieving a quantum leap in the quality of public realm in this part of Sheffield, building on the successful Grey to Green investment. West Bar needs to extend this quality of public realm into the project to provide a suitable environment for inward investors establishing a key destination for businesses in the city centre. This will address a shortage in supply of Grade A business space. It will also provide the necessary outdoor space to support the residential occupiers as part of a mixed-use neighbourhood and create an attractive, safe route to and from the core of the city centre.

SYMCA investment will support the public realm contributing to ensuring the transformational comprehensive development aspirations for this mixed-use scheme remain viable and sustainable.

Benefits and Outcomes

The project will deliver the following outputs

- 6,100sq. m. of high-quality public realm/amenity space created (0.61ha)

The project will also contribute to the following outcomes –

- 5,000sq. m. (within public realm) of new pedestrian/cycle routes
- 280 indoor cycle parking spaces connected to the strategic cycle network
- Phase 1 - 100,000 sq. ft. (9300sq. m.) high quality Offices unlocked
- Phase 1 - 368 new homes with 430sq.m. ground floor commercial space unlocked

Under delegation, this scheme would be considered at the Housing & Infrastructure Board.

1.12 **DCC** **Doncaster Waterfront** **Progression to Contract Award**

This project seeks £6.5m towards total project costs of £16.8m at an intervention rate of 38.6%. This project can be funded from Doncaster's Gainshare Place Plan allocation.

At over 100 acres, the Waterfront site is the largest development location in Doncaster's core city centre and one of the largest brownfield waterside developments in the UK. A number of high-profile developments are in the pipeline for 2 of the 3 zones and Doncaster College is already well established on the site. There are also infrastructure connection roads already in place. However, a large proportion of the site is heavily contaminated, and some small but strategically important sections are privately owned.

These factors contribute to making the site unviable for the private sector to bring forward for development and releasing the potential of the site therefore requires public sector intervention.

This split ownership and contamination, from its former use as a Gas Works, will be remedied by the scheme of works identified and as well as enabling long term development will deliver an immediate enhancement of the City Centre. The project involves:

- Land acquisition
- Intrusive site survey, clearance and remediation
- Creation of interim Public Realm pending future development opportunities

Once completed, the site will enable significant economic transformations for this key Brownfield area.

Benefits and Outcomes

The project will deliver.

- 7.7 ha of remediated land available for future development
- 7.7 ha of new green space created
- 20 new trees planted within site
- km of new pedestrian paths
- 600 sqm additional other planting

Under delegation, this scheme would be considered at the Housing & Infrastructure Board.

1.13 **D0049** **South Yorkshire Production Facility** **Progression to Contract Award**

This project seeks £7m loan funding towards total project costs of £27.5m at an intervention rate of 25.4%. This project can be funded from Doncaster's allocation of the Gainshare delivery-ready capital project fund.

This project (Development Phase) represents the first 12 months of the Programme, a 10-year delivery programme that presents the opportunity to create a world-leading green aerospace cluster in Doncaster, South Yorkshire, anchored and catalysed by establishing a manufacturing, test and operations centre delivering the UK-developed and certified aircraft into export markets worldwide.

This project spans 12 months and signals to the investor market critical financial and programmatic progress towards revenues. It will enable the creation and establishment of the South Yorkshire aircraft manufacturing base and comprises:

- Development of plans to realise the establishment of three production facilities in South Yorkshire
- Key maturation of the production variant to be manufactured regionally
- The set-up of an office in South Yorkshire
- The recruitment of a regional team to manage the facility construction, coordinate local supply chain and academic institute engagement

The aim is to use the project momentum to stimulate follow-on investment to allow progression to the Commercialisation phase.

Benefits and Outcomes

The project will deliver.

- 63 Jobs created
- 3 Apprenticeships
- 3,500 Commercial Floorspace occupied (m2)

Under delegation, this scheme would be considered at the Business Growth & Recovery Board.

1.14 **D0060** **Progression to Contract Award**

This project seeks £1.5m equity funding towards total project costs of £400m at an intervention rate of 0.4%.

The business is a venture company working in partnership with the universities of Leeds, Manchester, and Sheffield. It has a 'profit with purpose' motive and aims to match long-term capital to the commercial opportunities being generated from IP from the universities and regions. In the past few months the company has invested £40m into start-ups in South Yorkshire and is actively looking at more opportunities. Whilst its relationship with the universities gives it some exclusivity on their IP it will also invest in non-university opportunities.

The company is now entering into its second investment round and is looking to raise £150m by the end of March, supporting plans for £100m investment into SY over a five-year period. Alongside West Yorkshire Combined Authority we have been asked to take a stake as part of this raise, joining Greater Manchester Combined Authority who joined in the first raise in May 2022.

In each year the company anticipates deploying capital in three respective areas:

- an ongoing number of investments into new spin-out opportunities;
- alongside a smaller number of non-captive seed and later stage investments;
- as well as in the initial stages picking up existing Founding University pre-emption rights in historic spin-outs

Benefits and Outcomes

The project intends to invest in c.100 entities across a 5-year time frame, across the whole of the North of England but clustered across Manchester, Leeds and Sheffield.

South Yorkshire businesses are expected to receive:

- 1/3 of funding (at the moment more businesses are being backed in South Yorkshire than any other region) with
- 30 companies from seed stage onwards to be provided with capital – helping to attain SYMCA's target of increasing funding for seed stage companies in the area.
- An average of 15 jobs are expected to be created per investment, which across 5 years, equates to 450 additional jobs.
- The capital will help provide c£400m of investment to the area, as the project aims to deploy close to £100m into South Yorkshire and other investors are expected to co-invest 3x that amount

Under delegation, this scheme would be considered at the Business Growth & Recovery Board.

Approvals for Funding Disbursement

2. Transport Network Asset Maintenance and Local and Neighbourhood Transport Complementary Programme Allocation of Funding

During April 2022 SYMCA were awarded £570m City Region Sustainable Transport Settlement funding (CRSTS). This allocation incorporated the annual allocations for Integrated Transport Block (ITB) and Highways Capital Maintenance (HCM) allocations funding for the five-year period. For South Yorkshire these items equated to £110.75m of the programme allocation.

This paper seeks approval to award the following allocations:

Local and Neighbourhood Transport Complementary Programme:

- BMBC - £5.5m
- DCC - £7m
- RMBC - £6m
- SCC - £12m

Local and Neighbourhood Transport Programme Supplementary

- SCC - £5m

Transport Network Asset Maintenance

- SYMCA - £9.75m

3. Multiply Allocation of Funding

4.1 SYMCA is due to receive £7.25m of funding across three years in support of the Multiply programme – a national programme that supports innovative adult numeracy provision.

4.2 Following discussion with Local Authorities, the following model is proposed (2022/23 included for information only as previously approved) based on a population-based split between each area for 2023/24 and 2024/25. This model will ensure that LA partners have clear oversight of the delivery of Multiply in each area so that activity can be co-ordinated.

	2022/23	2023/24	2024/25	Total
	£m	£m	£m	
BMBC	£0.25	£0.41	£0.41	£1.07
DCC	£0.40	£0.41	£0.41	£1.22
RMBC	£0.20	£0.41	£0.41	£1.02
SCC	£0.40	£0.82	£0.82	£2.04
Barnsley College	£0.25			£0.25
DN Group	£0.02			£0.02
Northern college	£0.05			£0.05
RNN	£0.10			£0.10
Sheffield College	£0.30			£0.30
In Work Support		£0.06	£0.06	£0.12
Capacity Building		£0.17	£0.17	£0.34
Man and Admin	£0.22	£0.25	£0.25	£0.72
Total Spend	£2.19	£2.53	£2.53	£7.25

4.3 If there is a reduction in the allocations for future years by the DfE then it is proposed that the amounts would be reduced pro rata across all grant and commissioned providers to compensate.

4.4 If there is underperformance in either grant or commissioned provision, it is proposed that these funds are reallocated to grant providers that can evidence the potential for further delivery that fills gaps in the priority interventions within their localities.

5 Options Considered and Recommended Proposal

5.1 **Option 1**
Approve all recommendations

5.2 **Option 1 Risks and Mitigations:**
Approval of the progression of the investment proposition may result in a commitment being made against the MCA's 2022/23 gainshare allocation

5.3 **Option 2**
Reject some, or all, of the recommendations.

5.4 **Option 2 Risks and Mitigations:**

Rejection of the recommendations in this report would mean the region foregoing the forecast benefits arising from the investment and the delivery of the projects at risk.

5.5 Recommended Option

Option 1

6. Consultation on Proposal:

6.1 Discussions for these projects has continued with the thematic board during project development.

7. Timetable and Accountability for Implementing this Decision

7.1 Subject to the approval of the recommendations and approval by the MCA, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into a legal agreement with the promoters.

The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process.

8. Financial and Procurement Implications and Advice

8.1 A number of capital investment projects are recommended for approval or progression in this report. All projects are presented with a proposed funding source, including drawn on the Gainshare delivery-ready capital project funding.

8.2 A number of schemes also seek to draw on the longer-term Place Plan and Regional Plan allocations.

8.3 A number of schemes presented could benefit from Government funding that may be confirmed into the future. At this stage these schemes are presented as being funded from the Gainshare delivery-ready capital funding but could be switched onto new funding at a later-date.

9. Legal Implications and Advice

9.1 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.

10. Human Resources Implications and Advice

10.1 N/A

11. Equality and Diversity Implications and Advice

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

12. Climate Change Implications and Advice

12.1 Appropriate climate change considerations are taken into account as part of the assurance of the project application process.

13. Information and Communication Technology Implications and Advice

13.1 N/A

14. Communications and Marketing Implications and Advice:

14.1 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

- A Assurance Summary – Rotherham Town Centre Active Travel Package – Sheffield Road Phases 1-3
- B Assurance Summary - Kelham - Active Travel and Public Transport
- C Assurance Summary - A.631 Rotherham to Maltby Bus Corridor
- D Assurance Summary - Electric Community Transport Minibus Project
- E Assurance Summary – Market Gate Bridge
- F Assurance Summary - AMRC Doncaster