

1 – SCHEME DETAILS

Project Name	Goldthorpe Housing Project	Type of funding	Grant
Grant Recipient	BMBC	Total Scheme Cost	██████████
MCA Executive Board	Housing and Infrastructure	MCA Funding	██████████
Programme name	Brownfield Housing Fund & BMBC Allocations of MCA Funding	% MCA Allocation	26%
Current Gateway Stage	OBC	MCA Development costs	n/a
		% of total MCA allocation	n/a

2 – PROJECT DESCRIPTION

Barnsley Metropolitan Borough Council are seeking ██████████ funding towards the Goldthorpe Housing Project, consisting of a ██████████ allocation from the Brownfield Housing Fund and the remainder from MCA funding that has previously been committed to BMBC. The project is part of a wider set of interventions funded by the Towns Fund happening in Goldthorpe that aim to revitalise the town. The project itself has formed from the Goldthorpe Housing Strategy (July 2021 Arcadis) and aims to address the over-supply of poor quality low-demand pre-1919 properties and reduce antisocial behaviour.

Goldthorpe suffers from poor quality housing, particularly to the north and south of Goldthorpe Town Centre. Many of these pre-1919 terraced properties suffer from high turnover rates, poor appearance and energy inefficiency.

In 2021 Barnsley commissioned the consultant Arcadis to identify opportunities and constraints, review policy context and develop a series of interventions that could transform a residential area in the heart of Goldthorpe. This resulted in the production of the high level 'Goldthorpe Housing Strategy Final Report, 2021 (Arcadis)'.

A robust public consultation exercise was undertaken in May 2022 on the regeneration proposals detailed in the 'Goldthorpe Housing Strategy Final Report, 2021 (Arcadis)'. This will contribute to the development of detailed regeneration programme to address the over-supply of poor quality low-demand pre-1919 properties, reducing anti-social behaviour and the negative perceptions within the wider community that this generates. The aspiration is to deliver new low carbon affordable homes for social rent, improvements to the functionality of the streets, improved public realm and alleyways. The Goldthorpe Housing Project (GHP) will also create a new east-west pedestrian connection encouraging journeys on foot, new greenspace, Co-Operative Street Raised Table Crossing and Claycliffe Terrace Home Zone, and defensible private spaces with secure cycle storage.

Issues to address in the GHP area:

- Over-supply of poorer quality low-demand pre 1919 properties
- Lack of public greenspace for social interactions, exercise, informal play and lack of biodiversity
- Poor quality public realm
- Problematic rear alleyways attracting fly-tipping, ASB/crime creating a 'no go' zone for residents in the evenings
- Dilapidated/removed rear boundaries of properties, lack of security or defensible space for residents, unable to have any outdoor space that feels safe
- No space to store cycles safely, thereby reducing the opportunity for active travel other than by walking/public transport

The project as presented in the business case comprises of 4 phases:

Phase 0: Acquisition [REDACTED] properties and Phase 1: Demolition of acquired properties

To facilitate the delivery of the GHP scheme design and create a cleared site for new build low carbon affordable housing, new greenspace and to form a new east to west pedestrian connection, it will be necessary to acquire and demolish several properties. The final acquisition area for the site will be identified through the detailed design. The preferred option will be voluntary property acquisitions [REDACTED]

Phase 2: New build low carbon affordable homes

Delivery of up to [REDACTED] new build affordable properties built to Barnsley Low Carbon Standard, including air source heat pumps, solar PV, double glazing, EV charging point, PV battery and cycle storage.

Phase 3: Public realm and rear alleyway improvements

- A Raised Table crossing on Co-operative Street and Claycliffe Terrace Homes Zone
- Road and pavement surface improvements
- Urban greening and biodiversity measures
- Alleyway improvements including lighting and natural surveillance
- Rear property boundary improvements
- New green space

The project also includes the acquisition of [REDACTED] properties into the Housing Revenue Account for affordable housing to address local housing needs by March 2025.

The business case states that SYMCA BHF funding is required to address a funding gap. Cost items funded by SYMCA BHF are outlined below:

3. STRATEGIC CASE

<p><i>Options assessment</i></p>	<p>The applicant has presented 4 options in the business case: a do minimum, viable alternatives 1 & 2 and the preferred option.</p> <p>The do minimum option presented in the business case outlines a scenario where no funding is available and as a result, no project goes forward. The rationale for presenting this option is unclear and should outline a no SYMCA BHF funding scenario. All other options presented appear reasonable.</p> <p>The applicant presents a strong rationale for selecting the preferred option as the route forward. The business case states that the preferred option was selected to ensure all the SMART objectives can be delivered and all funding streams unlocked and utilised to their full potential. The business case also outlines the benefits attributable to the purchase of ■ properties for incorporation into the Council's HRA portfolio, including reduced pressure on the Housing Waiting List and reduction of empty homes.</p>
<p><i>Statutory requirements and adverse consequences</i></p>	<p>The business case outlines that key stakeholders from the relevant departments within Barnsley Council will be responsible for ensuring the project is designed and delivered to be compliant with statutory plans and processes.</p>

The project is dependent on planning permission for the Phase 1,2 and 3 works, which is expected to be secured in September 2023.

Due to the scale of the scheme, it is unlikely there will be any significant negative implications on the local transport network.

The business case outlines the strategy for minimising the adverse social implications of the scheme on the owners of the properties being purchased. Specifically, the business case states that specialist consultants have been appointed to provide support with voluntary acquisitions [REDACTED]

Mitigations in place to limit the negative implications of displacing existing residents appear appropriate and proportional. The business case also outlines that several properties are either vacant, have been offered for market sale or are already owned by the Council, meaning some of the acquisitions will not result in the involuntary displacement of residents.

An Equality Impact Assessment has been undertaken to identify the impact of the project on people living in the area, in particular those who may be in groups with protected characteristics. The business case states that measures to provide additional support to these groups will be identified where necessary.

To address broader concerns around the opposition of residents and landlords to the scheme, Barnsley Council have undertaken public consultation in May 2022 which will be used to shape the final designs for the project.

Alongside this, the business case state that a Communications Strategy will be developed to ensure information is shared on progress with the stakeholders affected by the project. This will supplement the public consultations undertaken as a part of the statutory planning process. The activities to date and proposed action plan, outline a clear approach to working with the local community to design the scheme, mitigating the risk of public opposition.

4. VALUE FOR MONEY

Monetised Benefits:

<i>VFM Indicator</i>	<i>Value</i>	<i>R/A/G</i>
<i>Net Present Social Value (£)</i>	[REDACTED]	R/A
<i>Benefit Cost Ratio / GVA per £1 of SYMCA Investment</i>	1	R/A

Value for Money Statement

A summary of the economic case BCR position for the Goldthorpe Housing project is presented below:

Based on SYMCA Funding Only		Preferred Option
A	Present value benefits	██████████
B	Present value costs	██████████
C	Present value other quantified impacts	██████████
D	Net present public value [A-B+C]	██████████
E	Initial Benefit:Cost Ratio [A/B]	██████████
F	Adjusted Benefit:Cost Ratio [(A+C)/B]	██████████
H	Value for money category	██████████

Based on the applicant's assessment of economic benefits, in terms of SYMCA investment, the level of estimated benefits represents low value for money. As shown above, the economic benefits outweigh the economic costs by c.£10,000, leaving the SYMCA BCR finely balanced.

Based on Total Public Sector Funding		Preferred Option
A	Present value benefits	██████████
B	Present value costs	██████████
C	Present value other quantified impacts	██████████
D	Net present public value [A-B+C]	██████████
E	Initial Benefit:Cost Ratio [A/B]	██████████
F	Adjusted Benefit:Cost Ratio [(A+C)/B]	██████████
H	Value for money category	██████████

Based on the applicant's assessment of economic benefits, in terms of total public sector investment, the level of estimated benefits represents poor value for money, with economic costs, significantly outweighing economic benefits.

The methodology used to calculate the gross economic benefits, on the whole, is sound, however, further narrative could have been provided to evidence the grant value per property benchmark used for the affordable housing grant.

The additionality assumptions appear reasonable, however, the application of a displacement adjustment on the public realm amenity benefits appears unnecessary, meaning total net economic benefits have been marginally underestimated.

As a result, in terms of SYMCA investment, the scheme may represent marginally better value for money than set out in the initial and adjusted BCRs.

In terms of public sector investment, whilst the total economic benefits may have been marginally underestimated, however, the total public sector costs have been underestimated significantly. The estimate for the total HRA income is based on income generated over 60 years. For the ██████ new build properties this is in line with the HMT Green Book recommended appraisal period for new buildings. However, for the refurbished buildings, HMT Green Book recommends an appraisal period

of 30 years, meaning the total HRA income for the ■ refurbished properties has been significantly overestimated. As a result, there is a risk total gross public sector costs have been underestimated by c■■■■■. As a result, the initial and adjusted BCRs for the scheme is likely to drop further ■■■■■■.

In summary, the treatment of economic costs and benefits appears, reasonable, potentially marginally underestimating the total economic benefits. The key risk to value for money is the acquisition and refurbishment of up to ■ existing properties (as it is unclear whether the outputs will be delivered). As a result, whilst the BCR calculation of ■ on SYMCA investment is sound, the BCR of the scheme will be unclear until the proposal is finalised.

5. RISK

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

The key risks and mitigations outlined in the business case are outlined below:

Risk	Likelihood (High, Med, Low)	Impact (High, Med, Low)	Mitigation	Owner
Securing additional funding	High	High	SBC approved by Assurance Panel on Dec 23	AD
Project delays: Acquisition / CPOs and delayed funding approval from DLUHC	High	High	Commission of acquisition ■■■■■■ support. Early engagement with property owners and residents. Project officer post to support delivery.	AD
Project Budget – Cost Uplifts	High	High	Increase contingency to ■■■■■■. Detailed costings at detailed design stage RIBA 2. Cost uplift of ■■■■■■ on new homes established. Scaling of Goldthorpe Housing Project to fit the funding envelope.	AD
Staffing resources for programme delivery	Medium	High	Project Support Officer post to be created. Acquisition ■■■■■■ support outsourced to APP via BPS.	AD
Public Objection to the detailed design of Goldthorpe Housing Project	High	High	The results of public consultation (May 2022) will be used to shape final detailed designs. Development of a communications strategy for sharing information. Potential to engage with the public around design for greenspace and wider public realm. Statutory Planning Process.	AD

The business case and Appendix A1 outline the key risks associated with the project and provide an accurate assessment of each risk. Whilst the mitigations for the key risks are appropriate, the level of risk (likelihood and impact) for key risks including potential delays, cost uplifts and public objection mean that the mitigations do not ensure the proposed scheme will be delivered within the funding window (March 2025) and to budget.

In summary, the Goldthorpe Housing project faces several key delivery risks associated with costs uplifts, project delays and funding defrayment deadlines (March 2025 for

Towns Fund) that could result in:

1. The scheme not going forward.
2. A reduced scheme going forward.
3. Partial delivery and scheme abandoned.

Whilst mitigations are in place, uncertainties associated with project delivery mean that there continues to be a high risk that the project cannot be delivered in full, posing a risk to the delivery of outputs and outcomes and as a result the BCR.

Do the significant risks require any contract conditions? (e.g. clawback on outcomes)

Whilst contract conditions are not required at the OBC stage and project development works are likely to reduce the risks associated with project delivery by the FBC stage, should SYMCA wish to fund the project based on its strategic rationale, they may wish to consider the conditions associated with the following risks:

Risk	Condition recommendation
Project delays Acquisition ██████	Should DLUHC Towns Fund funding support be withdrawn as a result of project delays, SYMCA should have the choice to withdraw and / or claw back their funding should other funding not be secured to deliver the project.
Cost uplift	Should cost uplifts reduce in a change in scope of the scheme, an FBC should be resubmitted for the revised project to enable a reassessment of the VfM and deliverability of the project.

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

A breakdown of the proposed funding is outlined below:

Funding Source	2021/22	2022/23	2023/24	2024/25 onwards	Total
MCA Grant funding		██		██████	██████
Other Public (Towns Fund)	██████	██████	██████	██████	██████
Other (HRA)	██	██	██	██████	██████
Total	██████	██████	██████	██████	██████

The business case states that Towns Fund and HRA funding are secured, with HRA funding generated from HRA reserves. As such it appears as though all funding is in place. However, it should be noted the Towns Fund has a spend deadline of March 2025, meaning the project needs to be delivered at pace if this funding is to be retained. As such there is a risk that if the project is delayed this funding could be withdrawn.

The business case also states that officers will continue to try to identify supplementary grant funding sources to support the delivery of the scheme. Given the uncertainty regarding costs whilst designs progress, this is a sensible and proactive approach to mitigating against risks associated with cost increases.

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

The business case outlines that the Council will enter into mixed price contracts, most likely from the JCT suite of agreements for the works which will be designed to RIBA Stage 4, ensuring the risk of cost increases sit with the appointed Contractors.

The key risk to the procurement of contractors appears to be the ability to undertake procurement activities in the timescales set out in the business case:

Phase 0/ 1: November 2023

Phase 2: February 2024

Phase 3: March 2024

Whilst the milestones set out do not appear unreasonable, further detail could have been provided to describe the dependencies between procurement and delivery of RIBA Stage 4 designs, to provide assurance these key milestones are deliverable.

6. DELIVERY

Is the timetable for delivery reasonable?

Costings of the Goldthorpe Housing Project have been finalised and agreed upon with all stakeholders. The business case outlines that the detailed design to RIBA Stage 2 is likely to be completed in April / June 2023. Therefore, achieving the proposed milestones is dependent on the completion and sign-off for designs this month (June 2023).

Land Acquisition: The business case outlines that conversations with property owners will commence in May 2023, [REDACTED] As such, achieving the proposed completion date for land acquisitions (November 2023) is largely dependent on the results of the consultation completed in May 2023, which has not been included in the business case submission. As such, SYMCA may wish to request an update [REDACTED] estimated timescales for completing the land acquisition, as the delivery of works is likely to be dependent on the completion of this activity.

Delivery: The timescales outlined for the demolition activities and new build homes appear reasonable, however, both are dependent on the completion of procurement, planning and land acquisition to the proposed timescales. The completion date for the Public Realm and Alleyways works has not been identified, with the business case stating 'TBC but no later than March 2025'.

Summary

The timescales proposed for securing SYMCA funding do not appear achievable and it is unclear whether not achieving this milestone will delay the delivery of other activities.

For the proposed timescales to be achievable for planning, RIBA Stage 2 needs to be completed this month, whilst for the procurement of contractors, detailed designs to RIBA Stage 4, need to be completed before November 2023. The business case provides limited information on whether the RIBA Stage 2 designs are close to completion, or the timescales for the completion of RIBA Stage 4 designs. As such SYMCA may wish to seek assurance the timescales for the delivery of detailed designs are in-line with those for planning and procurement.

The timescales proposed for land acquisition [REDACTED] as such there is a risk the timescales for completing Land Acquisition (November 2023) [REDACTED].

The delivery of the project (demolition, new houses and public realm) is dependent on being able to complete the land acquisition to the timescales proposed. Subject to this, the timescales for the delivery of demolition and the new build homes appear reasonable, however, a completion date for the public realm and alleyway works has not been identified.

Is the procurement strategy clear with defined milestones?

Through clarification responses, the applicant outlines the procurement requirements for each Phase of the Goldthorpe Housing Project's delivery:

Phase	Procurement requirements	Status
Phase 0/1: Acquisition [REDACTED] up to [REDACTED] properties	Acquisition / [REDACTED]	Align Property Partners already commissioned
	Demolition plan design	Barnsley Property Services commissioned
	Demolition delivery contractor	Yet to be procured
	Shuttering and security of void properties	Yet to be procured
Phase 2: New build homes	New build home design	Barnsley Property Services commissioned
	Building construction delivery contractor	Yet to be procured
Phase 3 Public realm works	Public realm designers	Align Property Partners already commissioned
	Public realm delivery contractor	Yet to be procured

The business case states the procurement process for the appointment of the remaining contractors will be undertaken with the Strategic Housing team with support from the Procurement Team. The procurement process will include an assessment of price, quality and social value. The weightings of these criteria will be agreed once the scope of each contract is fully defined but will consider, the programme of works and methodology, resources, management and risk mitigation and approach to stakeholder consultation.

Alongside this, the business case states that depending on the value of the works in each contract, Barnsley Council will consider an open tender, if their preferred strategy (to call off from a Framework) is not suitable.

The timelines presented in the business case for the procurement of the remaining contractors are outlined below:

Phase 0/ 1: November 2023

Phase 2: February 2024

Phase 3: March 2024

Overall, the approach described to procure the remaining contractors appears proportionate and reasonable. The business case has also outlined clear milestones for the procurement of contractors for each Phase.

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?

The business case states that the level of cost certainty for the project is 75% in-line with the certainty required for the OBC stage.

The business case outlines that further work is required to produce detailed costings as a part of RIBA Stage 2 which is expected to be completed by June 2023 at which point works including value engineering activities will be undertaken to address any cost uplifts.

■■■■■ contingency allowance has been included for the project, which provides a reasonable pot from which to draw. However, the business case also states that BPS has identified a ■■■■ rise in the cost of the new build houses and that the Towns Fund has advised a ■■■■ contingency, which will be included in the detailed design stages of the project (due to be completed by June 2023). As such it is likely that when costs for detailed design stages become available, the contingency allowance will require topping up to provide assurance the project can be delivered to the scope described in the business case.

With further design work required to take the project to RIBA Stage 4 before a contractor can be appointed and a fixed price contract can be agreed, project costs are also sensitive to macro-economic factors such as construction price inflation.

The business case states that there are no budgets available to fund cost overruns from Barnsley Council, HRA or Towns Fund. To mitigate against this the project will be designed to be scalable to enable flexibility and value engineering during delivery and ensure the scope of the project fits within the final funding envelope.

The business case outlines that should project affordability of viability reach a point where value engineering is not an option, subject to the approval of key stakeholders (e.g. DLUHC, Towns Board), the project could be withdrawn from the Towns Fund programme with funds redistributed between other projects.

In summary, whilst the business case and Appendix 9 demonstrates a clear understanding of the delivery costs items for the Goldthorpe Housing Project, Barnsley Council are aware of cost increases that have not been incorporated into the cost plan submitted with the business case, meaning the costs are likely to be higher

than stated in the business case. Alongside this, whilst designs are ongoing there is a degree of uncertainty regarding the final cost which will not be known until fixed price contracts have been agreed for the works, meaning there continues to be a risk that costs increase further as a result of construction cost inflation.

The business case states that no budgets are available to fund cost overruns, but describes how the project will be designed to be scalable to ensure it fits within the final funding envelope. As such, the final design of the project appears to be dependent on a more detailed understanding of project costs, meaning there is a risk that elements of the project may be scaled back if costs on more detailed designs come back greater than the current estimates. Should cost increases reach a point where the scheme cannot go forward, subject to the approval of key stakeholders, Towns Funding could be redistributed amongst the other Town Deal projects.

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

The business case presents a clear governance structure outlining the reporting and decision making process and identifying the roles and decision making responsibilities of key governance organisations and individuals within the delivery team. Within this structure, Daniel Harper (Head of Service Barnsley Council), has been identified as the SRO for the project.

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

Barnsley Council have undertaken a significant amount of early stakeholder engagement on the early-stage Goldthorpe Housing Project proposal, which has been positively received by the majority of key stakeholders.

Initial consultation with residents and landlords within the Goldthorpe Housing Project area did not receive a particularly high response rate (23.5%), respondents showed a reasonable level of support for the proposals (c.70% supportive of the demolition proposal and new build affordable housing).

Consultation with residents and landlords is underway to discuss acquisitions. This is a key element of stakeholder engagement and will reveal in more detail what public support there is for the project.

As detailed designs are developed, planning applications are submitted and any further stakeholder engagement is undertaken, a more detailed understanding of whether the wider public support the project

Are monitoring and evaluation procedures in place?

The business case states that financial monitoring and evaluation will be the primary task of the dedicated Project Manager who will be assisted by Barnsley Council's Finance Team. Monthly and Quarterly monitoring will take place and feed into monitoring arrangements as required by funders. Progress will be tracked against the updated detailed design milestones, outputs and outcomes (June 2023).

The Monthly and Quarterly Monitoring Reports will feed into the biannual and annual M&E requirements of DLUHC.

The business case also states that Key Performance Indicators (KPIs) will be developed to align with Barnsley 2030 priorities and consider the ambitions of wider strategies. In addition to the Barnsley Council intend to create Critical Success Factor's (CSFs) to measure delivery against.

By FBC stage KPIs and CSFs should be developed. Further detail could have also been provided on whether Barnsley Council intend to undertake an interim and / or summative evaluation of the project given its strategic importance.

7. LEGAL

Subsidy control advice for the project has been provided by Barnsley Council Legal Team. Within the business case is the Legal Teams assessment of the project's compliance with the Subsidy Control Act 2022. The Legal Team have used an assessment template consisting of 5 steps, which outlines the main components of the assessment framework.

This provides some assurance that the project can be Subsidy Control compliant, however, the subsidy control position should be reviewed with the SYMCA legal team for the avoidance of doubt, before making any funding decision.

8. RECOMMENDATION AND CONDITIONS

Recommendation	In principle approval at OBC stage – providing that a FBC is submitted which incorporates the recommendations and complies with the conditions detailed below.
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Payment Basis	
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Conditions of Award (including clawback clauses)

Based on this assessment of the business case there are 4 key issues associated with the project:

- Meeting the March 2025 Towns Fund spending deadline for the project – The project is due to be completed in March 2025, in line with the Towns Fund and Brownfield Housing Fund spending deadlines. As a result, the ability to maintain the Town Deal funding is dependent on being able to deliver the project to the key milestones set out. Within this, there are key risks associated with securing planning permission and acquiring properties [REDACTED] that could cause delays. If the project were to be delayed there is a significant possibility the project will not be delivered.
- Cost increases – Barnsley Council has identified cost increases associated with the delivery of new houses that are yet to be included in the costs submitted. Alongside this, the project requires further design work before contractors can be procured. As a result, it is highly probable costs will increase, which could result in the project being scaled back if this is larger than [REDACTED] contingency allowance as funding is not available to cover any cost increases. As a result, there is a risk the project will not deliver all the outputs and outcomes described in the business case.
- VfM – The BCR is in a sensitive position [REDACTED] As a result, there is a risk that if the project is scaled back, the BCR will drop below [REDACTED]

Given some of the issues highlighted, SYMCA needs to consider whether they are happy to continue to the FBC stage based on the strength of the project's strategic alignment. Allowing the project to proceed to the FBC stage would enable Barnsley Council to progress design and cost work, develop a more detailed delivery plan and undertake an assessment of more benefits streams, all of which would provide Barnsley Council with the opportunity to evidence that the project is deliverable and that VfM can be achieved before a funding decision is made.

Recommendations:**Options Analysis:**

The do minimum option presented in the business case outlines a scenario where no funding is available and as a result, no project goes forward. The rationale for presenting this option is unclear and should outline a no SYMCA BHF funding scenario in the FBC.

Economic Case:

Net income is estimated at [REDACTED], however it is unclear to the appraiser how this has been calculated. Further detail should be provided at the FBC stage.

The estimate for the total HRA income accounts for income generated over 60 years. For the [REDACTED] new build properties this is in line with the HMT Green Book recommended appraisal period for new buildings. However, for the refurbished buildings, HMT Green Book recommends an appraisal period of 30 years, meaning the total HRA income for the [REDACTED] refurbished properties has been significantly overestimated. As a result, there is a risk total gross public sector costs have been underestimated by [REDACTED]