

23<sup>rd</sup> March 2020

**LGF Capital Programme Approvals**

**Purpose of Report**

This paper seeks approval of change requests for 3 projects and seeks delegated authority to the Head of Paid Service in consultation with the S73 and Monitoring Officer to enter into legal agreements for the schemes.

**Thematic Priority**

Secure investment in infrastructure where it will do most to support growth.

**Freedom of Information and Schedule 12A of the Local Government Act 1972**

This paper will be available under the Combined Authority Publication Scheme.

**Recommendations**

The SCR MCA consider and approve:

1. Progression and approval of a project change request from “DN7 Unity project”
2. Progression and approval of a project change request from “Digital Media Centre 2”
3. Progression and approval of a project change request from “Strategic Testing Tools”
4. Delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to enter into legal agreements for the schemes covered in 1-3 above
5. Delegated authority be given to the Head of Paid Service in consultation with the s73 and Monitoring Officer to authorise in year spend variations where a project is able to accelerate expenditure from a future financial year (2020/21) into the current year (2019/20) and where that project already has full approval.

**1. Introduction**

- 1.1 As Members are aware, capital schemes often require reprofiling of the forecast due to unforeseen circumstances arising during the delivery phase.

**2. Proposal and justification**

- 2.1 Three projects have requested to re-profile expenditure from 19/20 to 2020/21. A summary of these projects and their proposed expenditure changes are detailed in the table below.

Scheme	19/20 Allocation	19/20 Forecast	Allocation to be moved into 20/21
<b>DN7 Unity Project</b>	<b>£8,170,320</b>	<b>£6,670,320</b>	<b>£1,500,000</b>

**Detail of request** - Sustained rainfall over October and November was highlighted as a concern by the contractor via Early Warning Notices, the impact was initially considered manageable as the site itself didn't suffer from direct flooding. It has now been confirmed

<p>that the land has been saturated which is not drying out as quickly as anticipated highlighting the following issues –</p> <ul style="list-style-type: none"> <li>➤ inadequate drainage capacity on the site;</li> <li>➤ until the land dries, earthworks cannot continue; and</li> <li>➤ the fill material sourced for the site is also saturated and unsuitable for use at this time.</li> </ul>			
<b>Digital Media Centre 2 (DMC 2)</b>	<b>£1,076,737</b>	<b>£876,737</b>	<b>£200,000</b>
<p><b>Detail of request</b> - Delays in appointing a contractor and delays in the works programme, This scheme may fully defray all expenditure but the risk assessment undertaken by the scheme promotor indicates £200k is at risk of slippage into 20/21.</p>			
<b>Strategic Testing Tools</b>	<b>£190,196</b>	<b>£0</b>	<b>£190,196</b>
<p><b>Detail of request</b> -The Strategic Testing Tools project has developed transport and land use models for appraising business cases. The Department for Transport (DfT) will sign off the models which are near completion for use in assessing future business cases. The time taken until DfT approval means that there are delays in the LGF spend. Requirement to spend funds post DfT sign off to finalise both models, but delays associated with Mass Transit business case has resulted in no LGF spend this year.</p>			

2.3 The change requests are recommended for approval.

### 3. Consideration of alternative approaches

- 3.1 Do Nothing – this is not an option we need to take all steps to maximise full drawdown of the LGF grant so that monies are not lost to the programme  
Do more – We have discounted running additional calls for schemes due to the implications this has for the total programme, where there is only £17m of available headroom

### 4. Implications

#### 4.1 Financial

Current estimates are that if all changes above are approved, the LGF Programme will reach its target of the £35.5m. However, achieving this year's financial target assumes that all other projects which are in delivery and assisting towards the financial target spend their full allocation.

#### 4.2 Legal

The legal implications of each project have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed by the Appraisal Panel as presented in the supporting information

#### 4.3 Risk Management

High risk schemes will continue to be monitored and any changes in the high-risk project pipeline reported back to the LEP and MCA.  
A report on progress on a scheme by scheme basis is shared weekly with CEX, Directors of Finance and Economic Development Directors to increase communication and oversight of performance of the schemes and slippage

#### 4.4 Equality, Diversity and Social Inclusion

The principles of equality, diversity and social inclusion are built into the application process and continue to be considered and addressed by all applications.

### 5. Communications

5.1 The approval of the business cases presents an opportunity for positive communications; officers from the SCR Executive Team will work with the relevant local authority officers on joint communications activity.

### 6. Appendices/Annexes

6.1 None

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Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: n/a