

3<sup>rd</sup> September 2020

## GETTING SCR BUILDING

### Purpose of Report

This report provides an update on the recent announcements for devolved funding to support infrastructure projects in the SCR and outlines the projects that will be brought to future Infrastructure Board meetings for decision.

### Thematic Priority

This report relates to the following Strategic Economic Plan priorities:

- Secure investment in infrastructure where it will do most to support growth.
- Facilitate and proactively support growth amongst existing firms.

### Freedom of Information

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

### Recommendations

The Board is asked to note the contents of the report.

## 1. Introduction

- 1.1 On the 30<sup>th</sup> June 2020, the Government launched 'A New Deal for Britain' which is a key part of the Government's strategy for economic recovery following Covid19.
- 1.2 As part of this strategy, £33.6m of capital funding has been allocated to the Sheffield City Region Mayoral Combined Authority (MCA) for supporting immediately deliverable infrastructure schemes. This report provides details of the schemes to be delivered across the SCR and identifies those that will be reported to this Board for decision at future meetings.

## 2 Proposal and Justification

- 2.1 The £33.6m is funded from the Government's 'Getting Building Fund' and has been allocated for a prioritised programme of Major Capital Infrastructure Schemes that are 'shovel ready,' along with a further £40m from the Government's 'Brownfield Housing Fund' for a programme of housing schemes on brownfield sites over the next 5 years.  
Getting Building Fund Capital Schemes

- 2.2** Prior to the Government's announcement, the MCA and the LEP oversaw the collation and prioritisation of major infrastructure schemes that could be delivered within 18 months. This was undertaken in a very short timescale to meet Government deadlines and involved the prioritisation of an initial long list of over 80 schemes.
- 2.3** The prioritised list of schemes agreed with Government is set out in Annex 1. The schemes are a range of employment, skills, digital, public realm, regeneration, and active travel infrastructure schemes, and all but one is located within the Infrastructure Place Package Growth Areas which are aligned in the draft (new) Strategic Economic Plan.

#### Funding Approvals & Delivery

- 2.4** All schemes will be subject to approval through the MCAs Assurance Framework processes and the relevant SCR Thematic Boards before funding is released. Three of the schemes will be considered by the Skills Board and two by the Transport Board. This leaves nine schemes to be considered through / by the Infrastructure Board. Four of these each have a funding ask of £2m or below and the Infrastructure Board has the delegated authority to approve the funding decisions for these schemes. The other five each have a funding ask of more than £2m so the Infrastructure Board's role with these will be to consider and make recommendations to the MCA, which will make the investment decision.
- 2.5** In Annex 1, the schemes that are shaded are the nine schemes that are under the remit of the SCR Infrastructure Board.
- 2.6** All schemes are progressing straight to Full Business Case (FBC), with a view to completing these as soon as possible, ready for approval. This is important if the 18-month delivery timescale is to be met.

### **3. Consideration of alternative approaches**

- 3.1** None considered.

### **4. Implications**

#### **4.1 Financial**

The FBC process will follow the MCA Assurance Framework to ensure proper due diligence and value for money. The funding for the Getting Building Fund Capital Schemes will need to be defrayed by end of March 2022.

Updates on project delivery will be reported to future Board meetings as part of the Programme Performance report.

The MCA will incur necessary programme management and assurance costs in monitoring programme delivery and in complying with the Assurance Framework and conditions of funding. It is proposed that these costs be funded from the regional element of the Getting Building Fund in much the same way that funding has been set aside in the Local Growth Fund and Transforming Cities Fund programmes for this purpose.

#### **4.2 Legal**

Arrangements to comply with the grant conditions are being put in place. The legal implications of acceptance of grant will be fully considered by the S73 officer in conjunction with a representative of the Monitoring Officer.

Legal implications of individual projects brought forward through the Get Britain Building programme is being considered on a case by case basis by the S73 officer in conjunction with a representative of the Monitoring Officer.

All schemes will need to adhere to statutory legal requirements such as obtaining planning permission and meeting State Aid obligations, as appropriate, and will be subject to contract.

#### **4.3 Risk Management**

Risk management is built into the MCA's due diligence processes and project and programme risks are regularly reviewed, and mitigating actions taken if necessary.

Key risks in delivering the programme are:

- Schemes not being delivered [started on site] within 18 months, resulting in potentially losing scheme funding;
- Insufficient partner capacity to progress schemes to FBC and delivery;
- Potentially escalating costs as the Market picks up post Covid 19 leading to unforeseen or cost over runs;
- Insufficient capacity within the MCA Executive to expedite the programme; and
- Complexity of funding packages for some schemes which may have an impact on delivery and the use of MCA funding;

#### **4.4 Equality, Diversity and Social Inclusion**

None arising from this report. The delivery of infrastructure capital schemes will stimulate economic growth in SCR and therefore contribute to both the economic recovery and improve social inclusion.

### **5. Communication**

5.1 The funding announcement has already been publicised, but as individual schemes are delivered there will opportunities for positive communications.

### **6. Appendices/Annexes**

Annex 1 – Getting Building Fund Capital Schemes Programme

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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.