

Appraisal Panel Summary

Scheme Details

Project Name	Goldthorpe Strategic Land Assembly		
Grant Recipient	Barnsley Metropolitan Borough Council		
MCA Executive Board	Infrastructure	MCA Funding	£580,000
% SCR Allocation	36%	Total Scheme Cost	£1,610,759

Appraisal Summary

Project Description
<p>The M1 J36 Phase 2 Goldthorpe full SCRIF business case (initially approved 28 January 2019 followed by a deed of variation approved 8 January 2020), contained the delivery of 3 work packages to deliver the necessary highway improvement works towards the eastern end of the M1 J6 Economic Growth Corridor (Goldthorpe) necessary to facilitate the delivery of 72.9 ha of proposed employment land identified as site reference ES10, as per adoption of Local Plan January 2019.</p> <ol style="list-style-type: none"> 1) Work Package A (WPA) funded by SCRIF and BMBC is providing improvements to 3 existing roundabouts (Cathill, Broomhill and Wath Road) which will be completed by March 2021. This is funded through SCRIF and BMBC. The improvement works will ensure the highway network has the capacity to facilitate the anticipated traffic generated from the allocated employment site reference ES10. 2) Work Package B:(WPB) funded by BMBC is to establish agreements with landowners of ES10 employment sites to enable the site to be ready for an end commercial developer to build out the commercial units 3) Work Package C - is the work package that is referred to in this appraisal and will deliver a new access/roundabout to the ES10 employment site, and consists of the following activities: - <ol style="list-style-type: none"> i. Land Acquisition of 3rd party land (stage 1 of land assembly strategy) ii. Upfront due diligence and associated negotiation costs with Stage 1 land acquisition iii. Construction of new access/roundabout <p>Delivering Stage 1 of the Land Assembly Strategy will provide the catalyst for Stage 2 and Stage 3 of the land assembly strategy to be delivered. Stage 2 of the land assembly strategy will focus on securing part or all the 3 land parcels closest to the front of the site (A635) which is 99.31 acres. The acquisition of this quantum of land will ensure that BMBC are in control of allocated employment land that could be proactively marketed, redeveloped. The funding for stage 2 of the land assembly is contained within the Goldthorpe Towns Fund Investment Plan that is being submitted to MHCLG on 11th December 2020. Stage 3 of the land assembly strategy is a much longer-term strategy for the remaining 77 acres, furthest in location from the site access, to date no funding source has been identified.</p> <p>In addition, the employment site ES10, will be supported by a Masterplan Framework approved by the Council before the approval of any subsequent planning applications. The Masterplan Framework will ensure the ES10 site can be developed in a comprehensive manner, taking into account all infrastructure requirements.</p> <p>A grant of £580k is sought from SCR's Getting Building Fund and will pay for the following activities:</p> <ol style="list-style-type: none"> i. Land Acquisition & associated legal fees for completion of Stage 1 land assembly strategy as a part of delivering WPC ii. Necessary due diligence including site surveys, fees to support the planning application / delivery of the roundabout (Note: The GBF is not required to pay for the construction of the new access/roundabout).

Strategic Case

The Applicant has highlighted strong links between the proposed project and the SCRMCAs SEP and Renewal Action Plan. The evidence is presented against the three objectives of the RAP (Stronger, Greener, Fairer) and demonstrates a golden thread from the MCA's strategy, through local strategy and masterplans to the preferred scheme.

The Applicant has set out a series of SMART objectives. These are clear, comply with the SMART framework and are aligned closely to the core rationale for the project.

The Applicant has been clear on the consequences of the scheme not progressing, that *“the 3rd party land acquisition activity will not complete which will impede the delivery of the construction of the access roundabout and ultimately the indirect commercial development of the wider ES10 site.”*

In addition, *“should the scheme not secure GBF then the site may not be an attractive business proposition and the risk is that it will not be developed out in line with the overall delivery of the M1 J36 Phase 2 Economic Growth Programme.”*

The evidence presented makes clear the contribution that the scheme will make towards facilitating development at the ES10 site. It cannot be certain how much of the site would come forwards and when in the absence of GBF investment. At best it appears that the site would be delayed. At worst at least some proportion of development would be put at risk. As the intension of GBF was to accelerate delivery, the scheme is also inline with the purpose of the funding.

Value for Money

The scheme's value for money has been established using the Barnsley Growth Model (BGM). This model considers the attributable contribution of a range of Capital Programme schemes towards the delivery of commercial, residential and mixed-use development opportunities locally. The Applicant is assuming that Goldthorpe Strategic Land Assessment scheme will contribute 17% towards enabling site outcomes.

There is inevitably uncertainty surrounding the likely scale of development that can be attributed to the scheme. However, even if the proportion of ES10 site benefits were to be lowered significantly, it would be unlikely to compromise what would be a strong return on investment on the £580,000 proposed GBF grant.

Sensible values have been applied for displacement, leakage and multiplier effects. There is in inevitably some uncertainty surrounding the likely displacement rate. As for deadweight, any sensible changes to the central assumption on displacement of 50% are unlikely to bring the central BCR estimate of c.30 : 1 down to a point where a strong value for money return would be compromised.

We recommend that overall, the proposed project would represent strong value for money.

Risk

The applicant has set out what it reasonably believes to be the top five risks for the scheme, alongside sensible mitigating actions. Key for this approval is the requirement for planning approval and the successful negotiation of 3rd party land acquisition. Approval of the business case should be conditional on a successful planning approval and 3rd party land acquisition.

The key risks to the project in terms of the economic dimension are:

- Demand for and uptake of the ES10 site development.
- The value of employment located at the ES10 development
- Cost overruns: BMBC has committed to funding any cost overrun and so the risk to the SCRMCAs are minimised.

Delivery

The applicant has set out a clear project management and plan, highlighting:

- A clear governance and organisation structure, covering the BMBC Economic Strategy Programme Board, Barnsley Economic Partnership, the Strategic Sites Board and Strategic Sites Working Sub-Groups
- The Senior Responsible Officer and other key members of the delivery team.

The applicant has set out a clear and realistic set of delivery milestones including around the

- the planning application and approval
- construction of the roundabout.

There is a gap in the information on the timetable for the procurement of the roundabout works. This information should be provided by the scheme promoter and included in the business case before the contract is signed and included in the conditions of this approval.

State Aid

Based on advice from Pinsent Masons, the Applicant finds that the project, as it comprises the provision of general infrastructure, would not constitute State aid.

Recommendation and Conditions

Recommendation	Full award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

Following the procurement of a contractor, BMBC to confirm the final tender price is in line with the FBC Financial Case.

Confirmation of the procurement timetable for the roundabout works

Confirmation of planning approval and the successful negotiation of 3rd party land acquisition

The following conditions must be satisfied before drawdown of funding.

The following conditions must be included in the contract

BMBC to work with the MCA to ensure suitable Monitoring and Evaluation is undertaken.

Record of Recommendation, Endorsement and Approval

Goldthorpe Strategic Land Assembly

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting		Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Gareth Sutton Finance Director	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCRMCA Solicitor				
Signature					
Date					