

Assurance Panel Summary

Scheme Details

Project Name	West Bar (Bridge Street Highways, Infrastructure and Enabling Works), Sheffield		
Grant Recipient	Sheffield City Council		
MCA Executive Board	Housing & Infrastructure	MCA Funding	£655,000
% MCA Allocation	100%	Total Scheme Cost	£655,000

Appraisal Summary

Project Description
<p>The West Bar (Bridge Street Highways, Infrastructure and Enabling Works) development will deliver:</p> <ul style="list-style-type: none"> a new highway retaining wall and road layout to facilitate 2-way traffic on Bridge Street junction with the Inner Ring Road (IRR); Openreach diversion works at Bridge Street; and, demolition works to clear the West Bar site, to enable the construction works. <p>This work is part of a larger £150 million development to be delivered in partnership with Urbo and Legal and General Investments. The project will enable the delivery of 368 new private rented housing units, 430m² of commercial floorspace and 5,500m² of associated high quality public realm.</p>
Strategic Case
<p>With MCA investment, this development can be accelerated, to deliver a transformative impact on Sheffield City Centre. The West Bar development aligns to the major growth plan objectives set out in the Strategic Economic Plan and contributes to the overall policy objectives for the MCA. Located in the centre of the city, the West Bar site is within one of seven strategic growth areas in the wider City Region.</p> <p>Unlocking this important site to facilitate new housing contributes to the ambitions set out under the specific themes of the SEP:</p> <ul style="list-style-type: none"> Vibrant and Resilient Places Innovation, Enterprise and Growth Land, Housing and the Built Environment <p>The project also aligns the Council's 2018-23 New Homes Delivery Plan to support the building of over 2,000 new homes per annum over the course of 5 years and expectation for the City Centre to deliver around 5,300 new homes between 2019-2024.</p>
Value for Money
<p>The Land Value Uplift, in Net Present Value terms, has been estimated at £2.7m, and a Benefit Cost Ratio for MCA investment of 4.14, representing very good value for money.</p>
Risk
<p>Top 5 risks as highlight in the business case are:</p> <ul style="list-style-type: none"> Highways design and layout formal approval. Highways costs priced by Amey in 2019 may be subject to inflationary uplift. Statutory services diversion costs to be assessed. Procurement of main contractor via appropriate framework to allow start on site in Mar-21 Scheme Cost Overruns <p>The risks identified by the applicant have been categorised as low to medium, with Urbo, the Development Partner, in control of mitigating most of the risks concerning finance and construction contracts. In the eventuality of the land not being developed, the applicant explains the SCC and Urbo agreement includes a buyback clause.</p>

Other mitigation measures are as follows:

- Planning – preliminary designs have been approved and detailed design will involve SCC
- Costs – competitive tender will minimise costs and Urbo are legally obliged to cover overruns.
- Delivery of residential scheme – outline planning approved subject to conditions and detailed planning application being developed in discussion with planners.
- Sale of completed units – Pre-sale agreement in place with Legal and General.
- Land – under control of SCC and Urbo.

The applicant also identifies the impact of Covid-19 and potential burdens of public realm works, electricity supply infrastructure, service diversions, flood alleviation works and groundworks/de-contamination, as challenges for the next stages of delivery.

Delivery

There is a joint partnership between SCC and Urbo (and Browmer & Kirkland) in ensuring the delivery of this project. The business case demonstrates that project management arrangements are in place and provides a description of the project management team that will manage the design, procurement and construction phases of the work. An organisational chart is provided and there is clear evidence of project governance.

The Management Case also references the relationship management between delivery partners and key stakeholders, making clear that stakeholders will be updated on a monthly basis regarding progress.

The design work for the new retention wall has highway authority approval and Openreach have provided a quotation for diversion works associated with their infrastructure. It is anticipated that the retention wall works can be tendered at risk awaiting MCA grant approval. This would allow the works to commence on site in March 2021.

Detailed planning application for the 368 housing units is expected in Q1 21 with a view to completion and occupation in Q1 2024.

Legal

The FBC has stated that Subsidy Control is not applicable, with no explanation provided on how this decision has been reached. This needs further clarification with the Applicant and should be made a condition of the funding agreement.

Recommendation and Conditions

Recommendation	Full grant award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	
<i>The following conditions must be satisfied before contract execution.</i>	
<ol style="list-style-type: none">1. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider socio-economic benefits and that these can be captured, monitored and reported.2. Submission of acceptable Subsidy Control opinion	
The conditions above should be fully satisfied by 6 th April 2021. Failure to do so could lead to the withdrawal of approval.	
<i>The following conditions must be satisfied before drawdown of funding.</i>	
<ol style="list-style-type: none">3. Submission of evidence of SCC's Board approval for the scheme.4. Formal confirmation of all other funding approvals required to deliver the project.5. Submission of a detailed project plan and risk register including sufficient contingency provision for all activities and related mitigation costs.6. Confirmation of procurement and evidence of cost certainty	

The following conditions must be included in the contract

7. Clawback will be applied on outputs at MCA discretion

Record of Recommendation, Endorsement and Approval					
Project Name					
Assurance 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 Group Finance Director	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR MCA Solicitor				
Signature					
Date					