

## Housing and Infrastructure Board

26 October 2021

### Programme Approvals

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<b>Is the paper exempt from the press and public?</b>	No
<b>Purpose of this report:</b>	Funding Decision
<b>Is this a Key Decision?</b>	Yes
<b>Has it been included on the Forward Plan?</b>	Yes

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**Director Approving Submission of the Report:**  
Gareth Sutton, Chief Finance Officer/s73 Officer

**Report Author(s):**  
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#### **Executive Summary**

This paper requests approval of one scheme subject to conditions set out in the Assurance Panel Summary. The paper also requests progression of five schemes to develop Full Business Cases (FBCs). One change request is presented for agreement.

#### **What does this mean for businesses, people and places in South Yorkshire?**

This report is seeking approval to progress business cases and enter into contract for a number of investment proposals which will support the Mayoral Combined Authority's (MCA's) aspirations.

#### **Recommendations**

The Board consider and approve:

1. Full approval and award of £0.25m grant for the "BHF Revenue Project" to SYMCA (South Yorkshire Mayoral Combined Authority);

2. Progression of “Adwick Depot” project to proceed to FBC (Full Business Case) for BHF (Brownfield Housing Funding) to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix A
3. Progression of “Attercliffe Waterside” project to proceed to FBC (Full Business Case) for BHF (Brownfield Housing Funding) to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix B
4. Progression of “Park Hill Phase 4” project to MCA to proceed to FBC (Full Business Case) for BHF (Brownfield Housing Funding) to SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix C
5. Progression of “Nightingale School” project to proceed to FBC (Full Business Case) for BHF (Brownfield Housing Funding) to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix D
6. Progression of “Small Sites” project to proceed to FBC (Full Business Case) for BHF (Brownfield Housing Funding) to DMBC (Doncaster Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix E
7. Approval of the changes to the GBF (Getting Building Fund) project “Barnsley College Digital Sci-Tech Building”.
8. Delegated authority be given to the Head of Paid Service in consultation with the Section 73 and Monitoring Officer to enter into legal agreements for the schemes 1 – 7 covered above.

### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Assurance Panel

01 October 2021

Assurance Panel

11 October 2021

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## **1. Proposals and Justification**

- 1.1 This report seeks approval and progression for schemes funded from BHF. The paper also requests one project change to an existing GBF contract to allow a small time extension. The paper requests delegated authority to enter into legal agreement.

The MCA received confirmation of £40.34m BHF award in December 2020 with the aim of creating more homes by bringing more brownfield land into development. The Fund aims to ease viability issues that brownfield projects face alongside wider interventions aimed at economic development. There is a target of £20m spend to be achieved by March 31st 2022.

- 1.2 In June 2020 the MCA was awarded £33.6m GBF to invest in ‘shovel-ready’ projects that will provide stimulus to local economies. The funds need to be defrayed by 31st March 2022 which allows an 18-month delivery window.

### **1.3 Progression of activity to full approval and award of funding**

This paper is seeking full approval and award of £0.25m funding for the BHF Revenue project. The funding aims to provide an extension of the ‘critical friend’ business case resource offered previously to scheme promoters, provide targeted support to LA (Local Authority) partners to identify the most viable/deliverable schemes in the town centres and create an 18-month internal capacity post within the SCC Housing Regeneration team to develop business cases for strategic brownfield land schemes. This revenue funding is complementary to the £40m BHF Capital Fund in that it will support the development of existing and new BHF capital

schemes. The activity will be delivered through SYMCA and local authority partners.

The project will deliver additional capacity support to LA Housing teams. It will validate the projects within Phase 3 of the Housing Fund pipeline and help develop better quality business plans for future BHF delivery. On this basis the project is anticipated to deliver value for money.

The project is recommended for approval and award of £0.25m grant.

#### 1.4 Progression of schemes to from OBC to FBC

The paper is seeking progression from OBC to FBC for five projects which are detailed in Appendices A to E. The total amount of funding being brought forward in these projects is £11.14m BHF grant. Three schemes are based in Doncaster and two in Sheffield. The assurance summaries include some conditions which may need to be met prior to completion of an FBC.

Full details of the schemes and risks are included in Appendices A to E.

All projects are recommended to be progressed to develop an FBC. One project, 'Park Hill' is requesting £5.61m and will therefore go onward to the MCA with this Board's recommendation on whether to progress.

#### 1.5 Project Change Requests

In recognition of unforeseen circumstances that can arise during the project delivery phase, the approved Assurance Framework establishes a formal process for the acceptance of change requests. The Barnsley College is requesting a change to their agreement for the Digital Sci-Tech Building project. The project is building new reception area and learning space at the Old Mill Lane site in Barnsley to better link with the workspace available at the adjoining Digital Media Centre. The project has experienced some delays during preparatory works and site investigations and as a result they request an additional five months to deliver the project, with a revised completion date of 4<sup>th</sup> of February 2022. The additional time requested still enables the project to complete within the GBF timescales.

The change is recommended for approval.

2.1 Do not approve the recommendations in this report.

#### 2.2 **Option 1 Risks and Mitigations**

Inability to approve the projects presented may result in a slower pace of delivery and loss of activity/spend within the funding programmes.

#### 2.3 **Option 2**

Award projects a smaller amount of grant funding.

#### 2.4 **Option 2 Risks and Mitigations**

All funding awards associated with the projects have been fully appraised in line with the MCA Assurance Framework to ensure value for money. Any projects approved to develop FBC's will have their costs and funding tested on submission

of their FBC. Funding for these projects is timebound by the funding bodies and any reductions is likely to cause deliverability issues for the projects.

## 2.5 **Option 3**

Approve all recommendations

## 2.6 **Option 3 Risks and Mitigations**

By approving the recommendations, the available programme funding will reduce. The BHF approvals will mean that £15m worth of projects will be either developing FBCs or approved against the £20m spend target.

## 2.7 **Recommended Option**

Option 3

## 3. **Consultation on Proposal**

3.1 Project sponsors are required to publish business cases on their own websites (or an appropriate summary of the submission) and must consider all comments received and reflect this in the next stages of the application process.

## 4. **Timetable and Accountability for Implementing this Decision**

4.1 Subject to the approval of the recommendations, the Head of Paid Service in consultation with the Section 73 Officer and Monitoring Officer will progress to enter into legal agreements with each promoter.

4.2 The promoter is responsible for the further development of projects that have gateway approval to the next stage of the MCA Assurance process

## 5. **Financial and Procurement Implications and Advice**

5.1 In addition to the already approved BHF capital projects, the capital projects presented for approval today are profiled to drawdown up to £15m from the BHF allocation of £40.34m.

The £0.25m revenue funding request will mean that the full £0.84m BHF revenue allocation has been utilised.

## 6. **Legal Implications and Advice**

6.1 The legal implications of the projects have been fully considered by a representative of the Monitoring Officer and included in the recommendations agreed within the Assurance Summaries as presented in the Appendices.

6.2 Prior to awarding the grants, the MCA shall ensure contracts are put in place to ensure the recipients comply with the grant conditions

## 7. **Human Resources Implications and Advice**

7.1 N/A

## 8. **Equality and Diversity Implications and Advice**

8.1 Appropriate equality and diversity considerations are taken into account as part of the assurance of the project business cases

**9. Climate Change Implications and Advice**

9.1 A number of the programmes include new and/or enhanced energy efficiency measures. This aims to deliver huge benefits for emissions, positively contributing to the MCA's climate change aspirations.

**10. Information and Communication Technology Implications and Advice**

10.1 N/A

**11. Communications and Marketing Implications and Advice**

11.1 The approvals provide positive opportunities to highlight the difference the MCA's investments will make to people and passengers, businesses and places across South Yorkshire and how Members are taking action to support the region's recovery from COVID

**List of Appendices Included\***

- A Assurance Summary - Adwick Depot
- B Assurance Summary – Attercliffe Waterside
- C Assurance Summary – Park Hill Phase 4
- D Assurance Summary – Nightingale School
- E Assurance Summary – Small Sites

**Background Papers**

None