

## Housing and Infrastructure Board

07 December 2021

### Programme Approvals

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Is the paper exempt from the press and public?	No
Purpose of this report:	Funding Decision
Is this a Key Decision?	Yes
Has it been included on the Forward Plan?	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 to continue developing three projects which request Gainshare funding, subject to conditions set out in the Assurance Panel Summaries. The paper also requests two project changes for BHF (Brownfield Housing Fund) schemes.

#### 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. Progression of "Lundwood Flood Alleviation Scheme (FAS)" project to proceed to OBC (Outline Business Case) for Gainshare Funding to BMBC (Barnsley Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix A

2. Progression of “Snail Yard” project to proceed to OBC for Gainshare Funding to RMBC (Rotherham Metropolitan Borough Council) subject to the conditions set out in the Assurance Summary attached at Appendix B
3. Progression of “Heart of the City 2 (block A)” project to MCA to proceed to FBC (Full Business Case) for Gainshare Funding for SCC (Sheffield City Council) subject to the conditions set out in the Assurance Summary attached at Appendix C
4. Approval of two changes for “West Bar” and “Goldthorpe” which are requesting changes to their approved BHF projects;
5. 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 – 4 covered above.

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

Assurance Panel	25 October 2021
Assurance Panel	08 November 2021
Assurance Panel	22 November 2021

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## **1. Background**

- 1.1 This report seeks approval and progression for schemes funded through Gainshare funding. The MCA agreed in March 2021 to the inclusion of a number of potential Gainshare investments for 2021/22 in each of the four South Yorkshire districts. Of the twenty infrastructure schemes accepted on to the pipeline, nineteen fall within the remit of the Housing and Infrastructure Board.
- 1.2 The report also seeks approval for two change requests for BHF schemes. In June 2020, the Government launched ‘A New Deal for Britain’ which is a key part of the Government’s Strategy to rebuild Britain following Covid 19 and support the economic recovery across the UK. As part of this strategy, £40.3m of capital funding and £841k revenue funding was allocated to the Sheffield City Region MCA for supporting the development of housing schemes on brownfield land up to the end of March 2025.

## **2. Proposals and Justification**

### **2.1 Progression of two schemes from SBC to OBC**

The paper is seeking progression to OBC for the ‘Snail Yard’ project and the ‘Lundwood Flood Alleviation Scheme’ project which are detailed in Appendices A and B. Total funding requested is £0.5m. The projects are based in Rotherham and Barnsley with the assurance summaries including conditions which need to be met prior to completion of an OBC.

Full details of the schemes and risks are included in Appendix A and B. The projects are recommended to be progressed to develop an OBC.

### **2.2 Progression of a scheme from OBC to FBC**

The paper is seeking progression from OBC to FBC for one project which is detailed in Appendix C. The total amount of funding being requested for the Heart of the City project is £3m Gainshare grant. The scheme is based in Sheffield and

the assurance summary includes conditions which need to be met prior to completion of an FBC.

Full details of the schemes and risks are included in Appendix C.

The project is recommended to be progressed to develop an FBC. Because the 'Heart of the City 2 (block A)' is requesting £3m it will therefore go onward to the MCA with this Board's recommendation on whether to progress.

### **2.3 Approval of Two Change Requests**

Two BHF projects which are in delivery have requested changes to their approved schemes.

### **2.4 West Bar**

The "West Bar" project is receiving £0.65m grant to demolish and clear the West Bar site in Sheffield. A retaining wall which was included in the original plans has now been designed out of the scheme to allow level access for pedestrians. Some small delays have also led to the work being completed six months later than originally planned (March 2022 rather than September 2021). The changes do not affect the drawdown of grant towards the 21/22 financial target and therefore the project change is recommended for approval.

### **2.5 Goldthorpe**

The Goldthorpe project is supported through £0.08 grant to assist BMBC in bringing forward housing sites for development. The scheme originally consisted of three separate strands - Phase 1, Phase 1a and the Goldthorpe Hotel. BMBC have requested to remove grant contribution towards the Hotel and Phase 1a sites and replace them with a site to the east of the Phase 1 site which would better support them to bring forward housing sites which meet the timescales of the Brownfield Housing Fund Programme. The change is recommended for approval.

## **3. Options Considered and Recommended Proposal**

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**  
In approving the recommendations, projects will continue to develop and will be represented at a future Board meeting for a final decision on entering into contract for grant funding. Any Board considerations can be taken on board during the continued development of the projects.
- 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 Challenging financial targets are set for the Brownfield Housing Fund, with the position and options set out in the Programme Performance paper. Approval of the project changes will make a small contribution towards the 21/22 financial target.
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 The projects include positive actions to help create a greener environment. The Snail Yard proposal replaces an empty unit with public realm, the Heart of the City development has a BREEAM target rating of Excellent and includes a photovoltaic array at rooftop level. The Lundwood Flood Alleviation scheme positively contributes 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 – Lundwood
- B Assurance Summary – Snail Yard
- C Assurance Summary – Heart of the City 2 (Block A)

### **Background Papers**

None