

BARNSLEY METROPOLITAN BOROUGH COUNCIL

REPORT OF: EXECUTIVE DIRECTOR PLACE

TITLE: Goldthorpe Towns Fund: Business Case Approvals

REPORT TO:	CABINET
Date of Meeting	20th April 2022
Cabinet Member Portfolio	PLACE: Regeneration and Culture
Key Decision	Yes
Public or Private	Private Local Government Act 1972, Schedule 12A Part 1 Paragraph 3

Purpose of report

The purpose of this report is to;

- I. update Cabinet regarding the outcome of the Goldthorpe Town Investment Plan submission to the Ministry for Homes, Communities and Local Government (MHCLG), now renamed Department for Levelling Up, Homes and Communities (DLUHC) approved in December 2020 (Cab.2.12.2020/6)
- II. update Cabinet regarding the development of the individual Goldthorpe Towns Fund business cases included in Heads of Terms issued by MHCLG now DLUHC
- III. accept the DLUHC Towns Funding up to £23.1M, to contribute towards the delivery of the Towns Investment Plan approved business cases as detailed in Section 2 of this report.
- IV. approve the principles of the individual Towns Fund full business cases, enabling the summary of the approved business cases to be submitted to MHCLG as per the Head of Terms issued by MHCLG, now DLHUC, noting that subsequent to this report, further detailed cabinet reports for Project D - Housing Regeneration pre-1919 and Project L: Towns Fund Property Investment Fund will be prepared as detailed in section 2 of this cabinet report
- V. seek approval (insofar as Cabinet is able to do so) for any necessary permissions, and to prepare and progress any necessary statutory procedures required to develop and deliver the proposed projects in line

with DLUHC guidance.

Council Plan priority

The Town Investment Plan vision is to make Goldthorpe a sustainable growth catalyst for the Dearne Valley and wider City Region, restoring, renewing and regenerating to realise the town's potential as a magnet location for a diversity of people and business. The transition from coalfield origins to contemporary, healthier and more aspirational 'town of choice', at the heart of a connected Dearne economy, will accelerate as new economic drivers are secured that and build the skills and capacity of our community.

The delivery of the approved, Town Investment plan projects, themed under

- **Growing** Goldthorpe
- **Connecting** Goldthorpe
- **Developing** Goldthorpe
- **Placemaking** Goldthorpe

will pave the way for the delivery of the Council's corporate priorities in Goldthorpe and the wider Dearne villages. Themed, strategic projects within the Town Investment Plan will facilitate a "thriving and vibrant economy", facilitating the creation of more and better jobs, good business growth, and to connect local people with these opportunities. The Town Investment Plan will facilitate "Strong and Resilient Communities" with the community being pivotal to project development and delivery, and education and skills opportunities will be maximised throughout the delivery of the Towns Investment Plan to help people achieve their potential.

Recommendations

That Cabinet:-

1. Approve the principles of the individual Towns Fund full business cases, which are aligned to the HM Treasury Five Case Better Business Case mode, to enable the summary of the approved business cases to be submitted to DLUHC as per the Head of Terms issued by DLHUC (formerly MHCLG), noting that subsequent to this report, further detailed cabinet reports for Project D: Housing Regeneration pre-1919 and Project L: Towns Fund Property Investment Fund will be prepared as necessary, as detailed in section 2 of this cabinet report.

Members to further note that submission of the Business Cases to DHLUC does not legally commit the Council to the final delivery of projects should those projects be found to be unaffordable or no longer feasible.

2. Authorise the Executive Director of Place to undertake all necessary steps to secure development and delivery of the Towns Investment Plan including but not limited to public consultation and engagement on the Pre-1919 Housing Strategy as detailed in section 2.7 noting that this will be subject to a further cabinet report, and approve (insofar as Cabinet is able to do so) the preparation

and progress any necessary statutory procedures required to develop and deliver the proposed projects in line with DLUHC guidance.

3. Authorise the Service Director for Regeneration and Culture to:

- i) seek any necessary planning permissions, (outline or full) required for the delivery of the projects included in the Town Investment Plan, this includes but is not limited to development works for Project G – Community and Cultural Hub and Project H – Heart of Goldthorpe
- ii) apply for any temporary traffic management orders or any temporary public rights of way closure permissions, noting that the application process will be progressed separately
- iii) launch the Towns Fund Property Investment Fund project (project L) as outlined in section 2.10 noting that a further report will be provided recommending and seeking approval of the Towns Fund Property Investment Fund preferred investments, costs and outputs.

4. Authorise the Executive Director Core Services, in consultation with the Executive Director of Place and Service Director for Regeneration and Culture to;

- i) accept the DLUHC Towns Funding up to £23.1M, to contribute towards the delivery of the Towns Investment Plan approved business cases as detailed in Section 4 of this report.

Members to note that the total value of the Goldthorpe Towns Investment Plan is currently estimated to be £33.5m and that some of the 'match' funding required to support delivery of the totality of that Plan has yet to be secured as highlighted in the 'Financial Implications' section of this report. This will be mitigated by ensuring that schemes taken forward are scalable to ensure delivery within the funding envelopes that have been secured eliminating any future cost exposure for the Council

- ii) conclude any necessary approval and funding processes with DLUHC (including negotiate the terms and conditions of, and final approval of the Town Investment Plan project summaries, subsequently releasing this into the capital programme in line with grant funding once approved).
- iii) under the terms of the Barnsley Contract Procedure rules, if necessary, seek tenders for any aspect of the delivery of the Towns Fund projects and appoint the successful tender on the basis of most economically advantageous bid; and to consider whether the works, services or goods can be provided in-house, subject to value for money considerations. (This

includes but is not limited to the external appointment of a legal services provider to support the delivery of the Towns Fund Property Investment Fund project (project L) subject to the costs being contained within the approved funding, and the delivery new access/roundabout (project K) to the ES10 employment site).

- iv) In principle, where necessary complete due process and documentation required to make and publish any Compulsory Purchase Order's (CPO) pursuant to relevant legislation, noting that specific details of any identified CPO's in relation to delivering the aims and objectives of the Towns Fund will be subject to further cabinet approval.
- v) where necessary apply for any consents, licence arrangements, prepare details of and publish a Side Roads Order under sections 14 and 125 of the Highways Act 1980 to deal with any required changes to the existing highway network to accommodate any of the projects identified in the Town Investment Plan and to submit the order to the Secretary of State for Transport for confirmation and to take all necessary steps to secure confirmation of the Order including (if necessary) supporting the order at a local public inquiry.

5. Authorise the Corporate Asset Manager to:

- i) where necessary, to enter into negotiations with any third-party landowner(s) or property owners to acquire any interests or enter into agreements to occupy land not in the ownership of the local authority necessary to deliver the projects identified in the Town Investment Plan, by agreement where possible. Also, to complete any variation to any existing leases on the occupation of land owned by the local authority and where necessary negotiate compensation payments.
- ii) negotiate the terms and conditions of any development agreements required with relevant parties, including private developer(s) to deliver the Town Investment Plan.

6. Delegate approval of any amendments to the details contained within full business cases that may arise during project delivery, along with the approval of any other full business cases to maximise the Town Deal financial settlement to the Councils Section 151 Officer in consultation with Executive Director of Place, the Towns Deal Board and Councils Capital Oversight Board.

7. Incorporate into the Council's Capital Programme the following projects:

- Project F - Phoenix Park Visitor Attraction Improvements

- Project G - Community and Cultural Hub
- Project H - Heart of Goldthorpe
- Project K New Access/ Roundabout to ES10

Thus, enabling the above schemes to progress, but strictly within the funding limitations described in the 'Financial and Risk' section of this report.

1. INTRODUCTION

- 1.1 In November 2019, a Towns Fund prospectus was launched by the Ministry for Homes Communities and Local Government (MHCLG), now renamed Department for Levelling Up, Homes and Communities (DLUHC) targeted at 100 towns, including Goldthorpe, to level up regions by driving long term economic and productivity growth through investment in connectivity, land use, economic assets including cultural assets, skills and enterprise infrastructure.

2. PROPOSAL

- 2.1 The Town Investment Plan vision is to make Goldthorpe a sustainable growth catalyst for the Dearne Valley and wider City Region, restoring, renewing and regenerating to realise the town's potential as a magnet location for a diversity of people and business. The transition from coalfield origins to contemporary, healthier and more aspirational 'town of choice', at the heart of a connected Dearne economy, will accelerate as new economic drivers are secured that and build the skills and capacity of our community.
- 2.2 The projects confirmed to MHCLG as part of the Heads of Terms acceptance in March 2021 were:
- Project A - Employment Land Assembly
 - Project B - Employment Infrastructure
 - Project C - Delivery of first phase of commercial floorspace
 - Project D - Housing Regeneration pre1919
 - Project F - Phoenix Park visitor attraction improvements
 - Project G - Community and Cultural Hub
 - Project H - Heart of Goldthorpe
 - Project J – Community Solar Farm
- 2.3 However, the project managers, supported by the Towns Board project sponsors, have undertaken thorough due diligence to assist with the development of the Full Business Cases for each project.
- 2.4 Specialist Economic Consultants (Jacobs) have been appointed via Crown Commercial Services framework to undertake the relevant economic appraisals and complete the economic case for the individual full business cases, along with

a cumulative Economic Case impact assessment for the Towns Fund programme overall. The economic case assessment also calculates the Benefit Cost Ratio (BCR) for the individual projects and the programme as a whole.

- 2.5 Subsequently the list of projects being taken forward differs slightly, an explanation of the changes affecting Project A - Employment Land Assembly; Project B - Employment Infrastructure; Project C - Delivery of first phase of commercial floorspace and Project J – Community Solar Farm, is attached at Appendix 1.
- 2.6 These changes have been discussed and the summaries of all the proposed full business cases listed below have been presented and approved by Towns Board, endorsing the detail and enabling them to be submitted into the agreed BMBC appraisal / approval process (see attached at Appendix 2)
- Project D - Housing Regeneration pre1919
 - Project F - Phoenix Park visitor attraction improvements
 - Project G - Community and Cultural Hub
 - Project H - Heart of Goldthorpe
 - Project K - New Access Roundabout into Employment site ES10
 - Project L - Goldthorpe Towns Fund Property Investment Fund

An overview of these projects is provided below, with the full summary of the full business cases appended to this report.

Project D - Housing Regeneration pre-1919

- 2.7 A high level Pre-1919 Housing Strategy prepared by Arcadis identifies opportunities and constraints that could transform a residential area in the heart of Goldthorpe which currently has a poor-quality environment, a high proportion of private-sector landlords, fly-tipping, crime, ASB and empty properties leading to this being a highly transient community with low demand. The Pre-1919 Housing Strategy recommends several key principles including creation of an east-west connection from Market Street to Victoria Street, creating shared street spaces and urban greening. In addition, students from the University of Sheffield School of Architecture undertook a live project to identify opportunities for the reconfiguration and enhancement of the public realm, particularly the problematic rear alleyways. As per recommendation 2 in this cabinet report both these external projects will inform a robust public consultation exercise on the Pre-1919 Housing Strategy that will contribute to the detailed design works packages and phased delivery strategy.
- 2.8 The current ask for this project is [REDACTED] Towns Fund investment that will be complemented by Housing Revenue Account match funding investment of [REDACTED] (subject to further cabinet approval). However, given that the proposals in the Pre-1919 Housing Strategy are scaleable, the scope of proposals could be increased subject to securing an additional [REDACTED] of match. **Members to note that the scope of the project ultimately taken forward will be contained within the funding**

envelope that has been secured eliminating any future cost exposure for the Council.

- 2.9 It is envisaged that the proposed scheme [REDACTED] Towns Fund and [REDACTED] HRA (subject to further approval) will deliver several new affordable homes to the Barnsley Low Carbon Standard which includes incorporation of air source heat pumps (no gas development), solar PV, EV charging points, PV battery storage and triple glazing. In addition, biodiversity measures will be incorporated into the fabric of new homes. The project will directly contribute to the Council's 2030 Vision of Growing Barnsley: delivering safe, warm and sustainable homes. The scheme will also include a new east-west connection between Market Street, Co-operative Street and Victoria Street, with small areas of greenspace/enhanced public realm.
- 2.10 The additional unsecured [REDACTED] would enable the delivery of new shared space streets and enhanced greenspace and public realm above and beyond the proposed east-west connection. The additional unsecured [REDACTED] would also enhance the rear alleyways and rear property boundaries in line with Secured by Design principles to reduce crime, ASB and fly-tipping. In addition, the provision of secure cycle storage would promote active travel for occupiers and would contribute to the councils Zero 40/45 agenda. Overall, the additional public realm improvements and security enhancements would promote social interaction and active travel, improving the health and wellbeing of residents.
- 2.11 The proposed project will be subject to a separate cabinet approval following robust public consultation in May 2022 and will align with the secured funding envelope.
- 2.12 In addition to the above, there is also a wider aspiration to deliver an energy efficient retrofit programme for the pre-1919 housing stock. This is subject to approval of 'Project M – Housing Retrofit' via the potential reallocation of existing uncommitted Towns Fund resource following the withdrawal of the proposed solar farm project J (detailed in Appendix 1).

Project F - Phoenix Park visitor attraction improvements

- 2.13 Project F - Phoenix Park Visitor Attraction Improvements project seeks [REDACTED] matched with [REDACTED] (secured from S106 and partner contributions) to enhance the sites appeal as a destination and thoroughfare, realise the potential of Phoenix Park to support small scale enterprise and a greater level of organised community activity by improving on-site facilities. This project will be delivered in partnership with The Land Trust and the site's managing partner The Conservation Volunteers (TCV).
- 2.14 Further improvements will be undertaken to the walking and cycling infrastructure, complemented by low level 'bat-friendly' solar lighting along the route, improved access control features and vegetation clearance, installation of rest points and seating, resurfacing of car park and allocating spaces and dedicated disabled

parking bays, improved site information and interpretation at entrances and points of interest.

- 2.15 Phoenix Park has the potential to support small scale enterprise and a greater level of organised community activity: TIP funding creates the opportunity to make use of the remaining underdeveloped frontage on Barrowfield Road to create a modest social enterprise hub with essential facilities. This could support regular pop-up catering, monthly community marketplaces for micro businesses, support provision of pre-school and family environmental activities, evening and weekend youth activities could link to the workshop space, aspirational social enterprise approach to creating a woodland products processing facility. In addition, Working with existing Land Trust partners, such as Learning through Landscapes, Outside is Fun – Extra' education programme offer to children during school holidays and weekends will be expanded. A series of woodland appropriate play items can be incorporated into three woodland compartments appropriate for play to enhance the learning and wellbeing of children living in areas of high rates of pupil premium. This project element will also encourage physical activity in young people to combat obesity and the increasing rates of childhood type 2 diabetes. A legacy of the Outdoor is Fun Project will be to create a positive relationship between local children and the site and facilitate on-going outdoor activities and environmental education at Phoenix Park.

Project G - Community and Cultural Hub

- 2.16 [REDACTED] Towns Fund has been allocated for this project but it is also hoped that further match funding over and above the [REDACTED] currently secured can be unlocked to expand the remit and meet wider aspirations.
- 2.17 This project will develop a combined community and cultural hub within Welfare Park along with development of a refreshed and revigorated outdoor multifunctional performance and community events space in Welfare Park; providing business support for the Playhouse team; deep engagement and consultation with young people in the area not currently engaged with any of the facilities on offer such as youth club or sports activities; overflow parking provision; and the refurbishment of the existing Dearne Playhouse building. Improved road infrastructure to provide access to the Dearne Playhouse theatre and parking completes the proposal. The proposed cycling route will also link into these areas to make this accessible by bike and foot. In addition, recent consultation has confirmed our direction of exploring the potential of the theatre's basement as a creative and digital resource for young people to develop their interest and skills in gaming, vlogging, coding, music production and technical skills such as sound and lighting.
- 2.18 Work to Welfare Park will enhanced a much-loved public outdoor space. An adaptable hard standing will provide the ideal location for mobile staging, and lighting and paths will be improved to make the space more accessible and welcoming for audiences. An art-based children's play area will enhance the space

and create a place for parents and toddlers visiting the LIFT centre to have a place to meet and introduce children to the area they can make their own as they grow. Event day parking will be developed from an unused hard standing adjacent to the site to ease the pressure on the main site and reduce traffic and pedestrian conflict.

- 2.19 The project will link with Project H – The Heart of Goldthorpe – to create linked event sites and will also explore links to the library for exhibitions and events. Walking and cycling routes between the sites, and other community spaces such as the Railway Embankment will be identified and promoted.

Project H - Heart of Goldthorpe

- 2.20 Using [REDACTED] of Towns Fund, Project H will repurpose, diversify and safeguard the high street providing a new 'Heart for Goldthorpe'. This project follows the successful delivery of the accelerated Towns Fund projects which funded the acquisition and demolition of the Horse and Groom to make way for a new public plaza and relocation of the Market to a central point to re-invigorate the High Street.
- 2.21 The new Town Square on the former Horse and Groom site will provide a central point for the community and provide an area for community events, and an area for reflection. Further business, resident and youth consultation will be undertaken to try to ensure ownership by the community. The project will also deliver public realm enhancements, place identity, wayfinding and active travel works, and develop and implement a high street investment and repurposing plan.

Project K New Access/ Roundabout to ES10

- 2.22 This project ([REDACTED] Towns Fund funding) focuses purely on the delivery of a new roundabout, which will facilitate the main access into the ES10 employment site, demonstrating to the private sector, that the council and city region partners are able and willing to facilitate development on sites which have constraints.
- 2.23 The completion of the new access/roundabout will be a major milestone in the development of ES10, as it will serve/facilitate accessibility to the new employment floor space and give further confidence to the private sector commercial market that the site is an attractive and viable long-term investment.

Project L: Towns Fund Property Investment Fund,

- 2.24 [REDACTED] Towns Fund monies will facilitate developers in overcoming any viability constraints to bringing forward new commercial floor space and the re-purposing/refurbishing of existing commercial floor space. The towns fund property investment fund will provide the most flexibility and maximise the opportunities that can be created, when working with developers.
- 2.25 The primary focus of the towns fund property investment fund will be to facilitate new commercial development within the ES10 allocated employment

site. The secondary focus of the project is to utilise it to support other employment opportunities across the wider towns fund area, which include existing allocated employment sites providing the opportunity for re-purposing/refurbishment of existing commercial floor space and delivery of new commercial floor space.

- 2.26 The early appointment of a legal services provider during Spring 2022 is required for the towns fund property investment fund, and it is anticipated that the Towns Fund Property Investment Fund will be launched Spring 2022, with assessment and due diligence of submitted grant applications in Summer/Autumn 2022. It is envisaged that the Towns Fund will lever in, a minimum of [REDACTED] Private Sector Investment to deliver the approved projects. A bespoke cabinet report submission will be prepared Autumn/Winter 2022/2023 which will detail the preferred investments along with the Private Sector match funding and request the necessary approvals to accept & approve preferred investments to facilitate the release of the grant funding. The appointment of the legal services provider is contained within the overall funding allocation for the project.

Project M (uncommitted resource)

- 2.27 Given the withdrawal of the proposed solar farm project J (as detailed in Appendix 1), The Towns Fund now has an existing uncommitted resource of [REDACTED]. There is an aspiration for this funding to deliver a proposed energy efficient retrofitting programme for the pre-1919 housing stock, subject to approval of 'Project M – Housing Retrofit.

Town Deal Board and Capital Oversight Board Approvals

- 2.28 Summaries of all the full business cases have been presented to The Towns Board meetings for approval and have been endorsed for submission into the agreed BMBC appraisal / approval process.
- 2.29 Capital Oversight Board have endorsed the high-level principles of all the Business Cases and recommended that the project summaries for projects D, F G, H along with the combined project summary for Project K and Project L could be submitted to DLUHC, recommending that progress on Projects F,G, H and K will be reported to Cabinet via the Quarterly Capital Report. Whilst noting that final business cases for both projects D and L will be updated to reflect detailed proposals and costings that will be subject to separate reports into Cabinet at a future date.
- 2.30 In addition to the listed projects above, this report seeks approval to delegate the approval of any subsequent full business cases required to maximise the Town Deal financial settlement to the Town Deal board and the Councils Capital Oversight Board for sign off by the Section 151 Officer, notwithstanding seeking any further cabinet approvals deemed necessary to deliver.

3. IMPLICATIONS OF THE DECISION

Financial and Risk

- 3.1 Consultation on the Financial Implications of this report has taken place with representatives of the Service Director (Section 151 Officer) Finance. This section of the report outlines the financial implications in respect of each of the following:
- 3.2 Acceptance of the Towns Fund Grant funding offer by DLUHC - recommendation 4 refers.
- Cabinet approval is sought to accept the offer of up £23.1m in Towns Fund grant funding from DLUHC and release individual projects into the capital programme.
 - To date the Council has received £0.130M in Towns Fund revenue grant to support the development of the TIP along with £0.500M to support Accelerated Funding projects in the Goldthorpe area – these amounts are exclusive of the £23.1m award.
- 3.3 Overview of the latest project cost estimates, sources of funding and delivery stages – noting that further reports will be required in respect of ‘L – Goldthorpe Property Investment Fund’ and ‘D – Housing Regeneration’.
- The table below provides a summary of the latest total project costs estimates for the TF Programme along with their proposed funding sources.

Project	Total Cost £m	Funded by:		Comments
		Towns Fund £m	'Match' Funding £m	
D - Housing Regeneration	Cost Range Between: [REDACTED]	[REDACTED]	Cost Range Between: [REDACTED]	<p>IMPORTANT: This is a scale-able project the scope of which is dependent on the availability of 'match' funding - paragraphs 2.7 to 2.12 refer.</p> <p>'Match' has been partially secured: i.e., [REDACTED] SYMCA Brownfield feasibility funding with [REDACTED] in HRA has been indicatively set aside.</p> <p>[REDACTED] remains unsecured on 'enhanced' scheme.</p>

				Please Note: Release of HRA along with the presentation of an <u>affordable project</u> to be subject to a further report to Cabinet (September 2022).
F - Phoenix Park Visitor Attraction Improvements	████	████	████	All 'match; secured via S106 and partner contributions.
G - Community & Cultural Hub	████	████	████	All 'match; secured via S106 and partner contributions
H - Heart of Goldthorpe	████	████	-	No 'match' required.
K - New Access Roundabout to ES10	████	████	████	All match secured: Get Building Funding (████) and █████ BMBC capital allocation for J36 (already approved).
L - Goldthorpe Property Investment Fund	████	████	████	All 'match' currently unsecured - project to be subject to further report to Cabinet.
M – Potential energy efficient retrofitting programme for the pre-1919 housing stock,	████	████	-	There is a wider aspiration to deliver an energy efficient retrofitting programme for the pre-1919 housing stock. This is subject to securing funding. Officers are currently assessing whether this funding could assist in delivering a proposed energy efficient retrofitting programme for the pre-1919 housing stock. <i>A further report will be submitted to Cabinet for Member consideration following the conclusion of this further work.</i>
Programme Management	████	████	-	No 'match' required.
Total Programme Costs	33.522	23.100	████	

3.4 For the purposes of clarity Member approval is being sought for the submission of summary business cases for each project in the programme to DLUHC – it is a

requirement of the Heads of Terms of the grant by DLUHC that these are submitted before the end of April 2022.

- 3.5 As indicated above the **Business Cases for Projects F, G and H** were endorsed by the Town's Fund Board and the Council's Capital Oversight Board in January 2022 and on that basis, Cabinet are recommended to:
- support the inclusion of these projects in the capital programme;
 - authorise officers to progress these projects through the detailed design & costing stage, and procurement stages, and subsequent to that;
 - authorise the Legal Service Director & Solicitor to the Council, in consultation with the Executive Director of Place and Service Director for Regeneration & Culture to award contracts to the successful bidders on the basis of most economically advantageous bid and to also consider whether the works, services or goods can be provided in-house, subject to value for money considerations.
- 3.6 During each stage of project delivery BMBC Finance and Procurement Officers will work closely with projects during these stages to ensure affordability within project delivery.
- 3.7 Capital Oversight Board carried out a further deep dive in March 2022 focussing on the **Business Cases for Projects D, K, L**.
- 3.8 **The Project K 'New Access Roundabout to ES10'** element of the business case was recommended for approval to enable the project summary to be submitted to DLUHC. It is intended that progress on scheme delivery for this scheme will be reported to Cabinet via the Quarterly Capital Report.
- 3.9 The draft business case for Projects **D (Housing Regeneration)** and **L (Goldthorpe Property Investment Fund)** were endorsed for approval and recommended that the project summaries could be submitted to DLUHC but noting that final business cases for both projects will be updated to reflect detailed proposals and costings - these will be subject to separate reports into Cabinet for Members consideration at a future date.

Key Financial Risks and Mitigations – linked to the recommendations in this report.

- 3.10 Members are asked to recognise that whilst a great deal of collaborative, detailed work has been undertaken to produce the cost estimates provided in this report it is considered likely that some project cost variations will occur, particularly given the current range of uncertainties and volatility in the economy.
- 3.11 The Business Cases provided for projects F, G and H show cost certainty at between 50% (F) and 60% (G & H) – this is usual at this stage of project development. These estimates reflecting the fact that whilst scheme design and initial cost estimates have been formulated for these projects the following stages will need to progress:

- Detailed scheme design and costing reviewed by an independent assessor (completion of stage increasing cost certainty to 75%).
- Completion of procurement and costs adjusted to reflect tender prices (moving to 95% certainty).

3.12 Below are a range of mitigations that will need to be considered should any adverse cost variations begin to appear as the stages progress:

- **Scaling back of project scope/value re-engineering/project cessation** – to eliminate any future cost exposure for the council, should project affordability or viability become an issue, options exist to, subject to the approval of DLUHC, Towns Board and Cabinet, amend the scope of projects or withdraw them entirely from the programme. This may include the reallocation of TF funds between projects or the return of unutilised grant to DLUHC.
- The ability to ‘scale’ back projects is particularly pertinent to the ‘Project D – Housing Regeneration’ – *paragraphs 2.7 to 2.12 refer* – where a significant ‘match’ funding shortfall currently exists. It is envisaged that the Project L Towns Fund Property Investment Fund will lever in a minimum of [REDACTED] Private Sector Investment to deliver the approved projects. A bespoke cabinet report submission will be prepared Autumn/Winter 2022/2023 which will detail the preferred investments along with the Private Sector Match funding and request the necessary approvals to accept & approve preferred investments to facilitate the release of the grant funding.
- **‘Contingency’ and ‘Optimism bias’** – the business case costs provided in this report contain approximately 10% of total costs to provide a contingency and also ‘optimism bias’ which is a requirement of the Green Book methodology.

‘Optimism bias’ is essentially a mechanism to uplift cost estimates by a specific % based on the type of spend within the project (for example the Green Book suggest a 24% uplift for ‘buildings’ costings). The purpose of the uplift being to ensure overly optimistic costs are tempered.

Both mechanisms provide a degree of financial headroom within the overall resource envelope for the programme.

- **External Funding Opportunities** - the potential to lever in funding from external sources to support project delivery is ongoing. This includes ongoing dialogue with SYMCA to explore the range of funding opportunities to support projects.
- **Unallocated Funding Balances** – as indicated above nearly [REDACTED] in TF grant now remains uncommitted because of the withdrawal of the Solar Farm project. This offers that potential to accommodate cost increases elsewhere, subject to the approval of the DLUHC. Similarly, opportunities may exist to reappportion funding between projects to support project pressures.
- **BMBC Finance and Procurement Officer Support** – as indicated above officers will work with and advise project teams to ensure affordability remains at the

forefront of project delivery.

- **Governance Checks** – allied to the above regular update reports into the Towns Fund Board and Council's Capital Oversight Board will ensure financial risks are considered and mitigated at the earliest opportunity.

- 3.13 It is important note that there is no direct financial ask of the Council to support in this report. With the potential exception of projects D and L (both subject to future Cabinet reports) any BMBC funding required has already been agreed and is included in the capital programme (i.e., Project K - New Access Roundabout to ES10).
- 3.14 Any funding asks arising from the two reports to be submitted to Cabinet (Projects D and L) would need to be considered in light of the availability of funding at the time and the wider demands on Council finances. Similarly, this also applies to any eventual asks impacting on the Housing Revenue Account – again these would need to be considered under HRA business planning processes.
- 3.15 Appendix A provides a summary of the financial implications arising from the recommendations in this report.

Legal

- 3.16 The passporting of any grant funding will be subject to assessment under the subsidy control legislation that is current at the time it is entered into and governed by the terms of the funding agreement. A subsidy control bill is working its way through parliament at present and in the interim the position is governed primarily through the UK-EU Trade and Cooperation Agreement supplemented by guidance from Government

Equality

- 3.17 The delivery of the Towns fund projects will pave the way the delivery of the Council's corporate priorities in Goldthorpe and the wider Dearne villages, in particular contributing towards providing improving the local environment and providing better connectivity and opportunities for local people to access work that will assist in addressing social exclusion.
- 3.18 A Full Equality Impact Assessment has been completed for the overall Towns Fund Programme, this will be continually reviewed throughout the lifecycle of the different stages of the individual projects, as the Towns Fund Programme is ongoing until 2026. The first review will take place Spring 2022 once the full business cases are reviewed and the consultation and delivery stages are planned. Communication and engagement methods will be reviewed in line with any limitations, imposed or lifted, during the Covid-19 pandemic to ensure that this influences and shapes the individual projects and their delivery, and in particular will The potential impact of the detail of the individual projects will be considered against the protected characteristics to mitigate any potential negative impact I.e. simplified consultation material, large scale print etc. and the

use of google translate available for all online material

Sustainability

- 3.19 The completed Decision-making wheel is shown below, and the narrative overview of the decision-making wheel is attached at Appendix 8



EMPLOYEE

- 3.20 There are no issues arising directly from this report.

COMMUNICATIONS

- 3.21 A robust communications plan for the Goldthorpe Towns Fund has been developed with representatives from Executive Director of Core Services. This will be reviewed continually throughout the delivery of the individual projects to ensure that timely and accurate information is provided through appropriate press releases via local press, social media/website updates, local member briefings, public information events and engagement with key stakeholders.

4. CONSULTATION

- 4.1 Throughout the development of the original Town Investment Plan, Inception meetings and Stakeholder Workshops have taken place to identify interventions / programmes
- 4.2 The #MyTown portal, along with wider public consultation exercises provided the local community a chance to have their say in how a Town Deal should transform the place they call home, the information provided was taken into consideration

when developing the final Town Investment Plan that was submitted to MHCLG, now DLUHC, along with feeding into the due diligence to assist with the detailed project development.

- 4.3 Consultation has taken place with local elected members and Member of Parliament who are members of the Towns Board.
- 4.4 Consultation has taken place with representatives of Core Services Directorate regarding the financial implications, asset management and risk management issues.
- 4.5 In addition, a robust communications plan has been developed with representatives from Executive Director of Core Services. This will be reviewed continually throughout the delivery of the project to ensure that timely and accurate information is provided through appropriate press releases via local press, social media/website updates, local member briefings, public information events and engagement with key stakeholders.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 **Do Nothing:** Alternative approaches for the individual projects are contained within the full businesses cases and do minimum options have been assessed as part of the economic case within the full business case. Given there are no other comprehensive major government funding streams currently available to assist local authorities and their partners co-ordinate community led wide scale economic regeneration activity to the extent of the Towns Fund. Not approving the principles of the full business cases, would impede the submission of the Project summaries to DLUHC and jeopardise securing the DLUHC Towns Investment. This would be a missed opportunity to secure significant funding that will act as catalyst for major regeneration and lever for other investment in Goldthorpe and the wider Dearne Villages.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Accepting the DLUHC Towns Funding up to £23.1M, to contribute towards the delivery of the Towns Investment Plan approved business cases as detailed in Section 2 of this cabinet report, and approving the principles of the individual Towns Fund full business cases, will enable the summary of the approved business cases to be submitted to MHCLG as per the Head of Terms issued by MHCLG, now DLHUC, noting that subsequent to this report, further detailed cabinet reports for Project D - Housing Regeneration pre-1919 and Project L: Towns Fund Property Investment Fund will be prepared as detailed in section 2 of this cabinet report.
- 6.2 The delivery of the approved projects contribute to the Town Investment Plan vision “to make Goldthorpe a sustainable growth catalyst for the Dearne Valley and wider City Region, restoring, renewing and regenerating to realise the town’s potential as a magnet location for a diversity of people and business”. The transition from coalfield origins to contemporary, healthier and more aspirational ‘town of choice’, at the heart of a connected Dearne economy, will accelerate as new

economic drivers are secured that and build the skills and capacity of our community.

7. GLOSSARY

MHCLG: Ministry of Housing Communities and Local Government

DLUHC: Department for Levelling Up, Homes and Communities

8. LIST OF APPENDICES

Appendix A: Financial Implications

Appendix 1: Summary of Changes to Initial Project List

Appendix 2: Towns Fund Full Business Case Appraisal /Approval

Appendix 3: Project Summary of Project D - Housing Regeneration pre1919

Appendix 4: Project Summary of Project F- Phoenix Park visitor attraction improvements

Appendix 5: Project Summary of Project G - Community and Cultural Hub

Appendix 6: Project Summary of Project H - Heart of Goldthorpe

Appendix 7: Project Summary of Project K - New Access Roundabout into Employment site ES10 and Project L - Goldthorpe Towns Fund Property Investment Fund

Appendix 8 :An overview of the decision-making wheel

9. BACKGROUND PAPERS

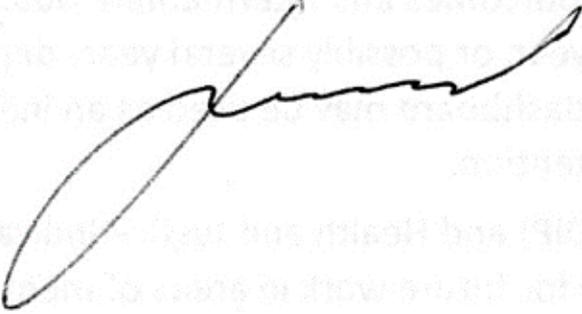
- Full Business Case Project D - Housing Regeneration pre1919
- Full Business Case Project F - Phoenix Park visitor attraction improvements
- Full Business Case Project G - Community and Cultural Hub
- Full Business Case Project H - Heart of Goldthorpe
- Full Business Case Project K - New Access Roundabout into Employment site ES10
- Full Business Case Project L - Goldthorpe Towns Fund Property Investment Fund

[Details of background papers **MUST** be included]

If you would like to inspect background papers for this report, please email governance@barnsley.gov.uk so that appropriate arrangements can be made

10. REPORT SIGN OFF

Financial consultation & sign off	Senior Financial Services officer consulted and date <i>This box must be signed to confirm that there are no financial implications. Alternatively, a signed Appendix A outlining</i>
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	<i>the financial implications is required.</i>
Legal consultation & sign off	Legal Services officer consulted and date  Jason Field 3/3/22

Report Author: Rachael Allington
Post: Group Leader – Major Projects
Date: 15/03/2022