

## BARNSELY METROPOLITAN BOROUGH COUNCIL

**REPORT OF: EXECUTIVE DIRECTOR OF GROWTH & SUSTAINABILITY**

**TITLE: LEVELLING UP FUND PROJECT DEVELOPMENT**

<b>REPORT TO:</b>	<b>CABINET</b>
<b>Date of Meeting</b>	<b>21 September 2022</b>
<b>Cabinet Member Portfolio</b>	<b>Regeneration and Culture</b>
<b>Key Decision</b>	<b>Yes</b>
<b>Public or Private</b>	<b>Public</b>

### **Purpose of report**

1. To seek approval to progress with the design development of projects contained within the recent levelling up fund bids for Barnsley ensuring future deliverability should funding application be successful.
2. To seek approval to progress all relevant procurement activity and associated appointments in line with the above.

### **Council Plan priority**

The Councils Levelling up bids are multifaceted and will deliver a range of outcomes that directly contribute to the Corporate Plan and Barnsley 2030 strategy and specifically the outcomes shown below:

- Healthy Barnsley
- Learning Barnsley
- Growing Barnsley
- Sustainable Barnsley
- Enabling Barnsley

The LU projects when completed would support the development of a more inclusive economy, the continual regeneration of the town centre and the creation of more and better jobs for our residents.

### **Recommendations**

That Cabinet:-

1. **Approve the continued development of projects included within the Levelling Up Fund bid submissions for Barnsley inclusive of all relevant**

**supporting procurement activity and appointment of providers to support.**

- 2. Agree to resource the 'at risk' spend required to take schemes included within both bids up to RIBA Stage 3 from the feasibility fund allocations as provided by SYMCA to support projects in Barnsley.**

## **1. INTRODUCTION**

- 1.1 In July of this year, the Council worked with its partners to submit two Levelling Up Fund bids, 'Barnsley Futures' and 'Elsecar Forging Ahead,' equating to a total bid value of £26.2m. In line with the national Levelling Up competitive process, the bids are subject to assessment and evaluation by central government teams with an announcement expected autumn 2022. Given changes in the current government and the large number of bids DLUCH will have received, this could easily be October/November.
- 1.2 Round 2 of Levelling Up funding does stipulate a requirement for successful bids to be able to discharge expenditure in the current financial year with project delivery to be completed by March 2025 both of which are considered to be aggressive timescales within the context of regeneration activity.
- 1.3 The projects contained with the Levelling Up bids for Barnsley are well formulated and developed. However, against the context of the aggressive timescales there is a recognition that it would be prudent to move forward with the next stage of project development during the national bid assessment process.
- 1.4 This report therefore seeks approval to move forward with 'at risk' project development work during the national bid assessment process. This will be primarily focused on site investigations, design development and project management support.

## **2. PROPOSAL**

- 2.1 This report seeks approval to take forward project development for the 'Barnsley Futures' and 'Elsecar Forging Ahead' projects up to RIBA 3 stage during the period August to December.
- 2.2 The overall indicative cost associated with bid development work totals £747,000 broken down across the two bids as follows:
- Barnsley Futures - £356,000
  - Elsecar Forging Ahead - £391,000

- 2.3 The costs outlined above are unplanned and unbudgeted within the context of existing Council resources. It is therefore proposed to fund project development cost through South Yorkshire Mayoral Authority feasibility resources allocated to Barnsley to support the development of strategically significant projects. This approach will result in no additional cost implications to Council resource.
- 2.4 It is noted that there is a risk associated to progressing the development of projects in advance of any formal notification on the outcome of the submitted levelling up funds. There are no guarantees that the Levelling Up Fund bids will be successful. However, this risk is mitigated as detailed below:
- The inability to undertake this work now results in a bigger risk around the Council being unable to accept funding awarded through Levelling Up in relation to an inability to meet the project deliverability test set out by government.
  - All projects contained within the bids are deemed to be of strategic importance to the Barnsley growth agenda and consequently should levelling up funding not be secured then the development work at this stage will position the Council and its partners strongly to secure funding through other sources.
  - There is no direct cost impact for the Council associated with developing works at risk.
- 2.5 This report therefore seeks approval to move forward with the next phase of project development for the 'Barnsley Futures' and 'Elsecar Forging Ahead' programmes of activity.
- 2.6 Further reports would be brought forward once the outcome of the funding bid is known to outlined the wider ask to develop the projects further.

## **IMPLICATIONS OF THE DECISION**

### **3.1 Financial and Risk**

#### Financial Implications

- 3.1.1 Consultations have taken place with representatives of the Service Director – Finance (S151 Officer).
- 3.1.2 Per paragraphs 2.2 to 2.3 it is proposed that the 'at risk' costs outlined in this report are funded in their entirety (i.e. up to £0.747m) from the £2.8m 'feasibility' fund allocation made to Barnsley by SYMCA.
- 3.1.3 This is considered an appropriate use of this funding pot and sits within the objectives of the fund as described by the MCA.
- 3.1.4 The 'at risk' cost estimates and underpinning assumptions for each bid have been reviewed by Financial Services Officers who have concluded that the requests appear be reasonable.

3.1.5 It should be noted that if the LUF Round 2 bids are successful any 'at risk' costs incurred will be covered off from LUF grant – effectively restoring feasibility funding for other purposes.

3.1.6 Appendix A outlines the financial implications of the recommendations in this report

#### **4. Legal**

4.1 There are no legal implications associated with the proposals contained within this report.

#### **5. Equality**

The Project team would need to carry out a high level EIA but impacts are nil at design stage. Equalities will be factored into design work with full EIA's undertaken at an individual project level.

#### **6 Sustainability**

6.1 Sustainability and the Zero45 aspirations are fully embedded within both the Barnsley Futures and Elsecar Forging Ahead. This relates to the consideration of sustainability/net zero design and construction through to the use of innovative renewable energy solutions at Elsecar.

#### **7. Employees**

7.1 It is noted that this work is in addition to core activity and consequently support will be required from key services across the Council including BPS, procurement and finance. Similarly, there is a recognition that dedicated project management resource is required to coordinate this activity and costs associated with temporary resource have been factored into the proposal contained within this report.

#### **8 Communications**

8.1 A robust communications strategy will be developed running in conjunction with both the 'at risk' development phase and also the national bid appraisal phase.

#### **9. CONSULTATION**

9.1 Extensive consultation has been undertaken during the bid development phase and has provided an extensive underpinning evidence base for the projects that from the 'Barnsley Futures' and 'Elsecar Forging Ahead' proposal. Ongoing consultation and engagement will continue as relevant with stakeholders and partners during the 'at risk' development phase.

## **10. ALTERNATIVE OPTIONS CONSIDERED**

- 10.1 Do nothing. There is the option not to progress any work at risk however this will result in the Council not being able to meet the levelling up deliverability test and consequently could result in the inability to accept any grant funding offered through successful bids.
- 10.2 An additional risk of not progressing the development works at risk is that the reduced timelines for delivery of this will mean that the Council will be unable to secure providers to deliver these, or that the costs will increase due to additional resources which would be required to deliver to a shorter timeline to keep to the funding programme outlined. This could result in additional financial pressures on the Council if these costs were then to exceed those allocated in the Levelling Up Fund or MCA Feasibility.

## **11. REASONS FOR RECOMMENDATIONS**

- 11.1 The recommendations set out in this report are intended to ensure that the Council and partners are positioned strongly to be able to effectively deliver the 'Barnsley Futures' and 'Elsecar Forging Ahead' programmes either through successful levelling up fund submission or via other relevant funding streams as applicable.

## **12. GLOSSARY**

LUF – Levelling Up Fund

DLUHC – Department for Levelling Up, Housing and Communities

## **13. LIST OF APPENDICES**

Appendix A: Financial Implications

## **14. BACKGROUND PAPERS**

There are no background papers for this report

## **15. REPORT SIGN OFF**

<b>Financial consultation &amp; sign off</b>	See Appendix A
<b>Legal consultation &amp; sign off</b>	<i>24/08/22 Jason Field</i>

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**Post: Service Director Regeneration and Culture**

**Date: 24/08/22**