



**Author/Lead Officer of Report:**  
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**Report of:** Director of Legal & Governance

**Report to:** Co-operative Executive

**Date of Decision:** 9<sup>th</sup> June 2021

**Subject:** Stocksbridge Towns Fund

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Executive Member Portfolio does this relate to? Executive Member for Inclusive Economy, Jobs and Skills				
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

**Purpose of Report:**

The purpose of this report is to update the Co-operative Executive on the Stocksbridge Town Deal following the announcement that Stocksbridge was successful in securing, in principle, £24.1m funding from the Ministry of Housing, Communities and Local Government (MHCLG); to provide further information around the projects; seek approval around next steps including allocation of funding to develop projects to full business case and to progress negotiations regarding the acquisition of targeted properties.

**Recommendations:**

The Co-operative Executive is recommended to:

- i. Note that the Council has been successful in being awarded, in principle, £24.1m from MHCLG.
- ii. Approve the allocation and commitment of £1.5m of Council funding for 2021/22, in anticipation of receipt of that funding, to undertake feasibility, site investigations and project development work up to full business case for the 10 projects identified in this Report and add the Stocksbridge Town Deal project to the capital programme.
- iii. Note the intention to submit an application to the Sheffield City Region Mayoral Combined Authority for £1.8m funds for the Manchester Road Project and delegate authority to the Executive Director of Resources to accept the grant and commit the Council to act as Accountable Body should that bid be successful.
- iv. To the extent not covered by existing delegations, delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance and the Executive Director of Resources to enter negotiations and acquire property interests as required to fulfil the objectives in the Town Deal Plan.

**Background Papers:**

Form 2a Director Non-Key Executive Decision Report, 09/03/2020, Acceptance of a government grant offer from MHCLG of £140,000 to work up the projects within the Stocksbridge Town Investment Plan

Form 2 Cabinet Report, 16/12/2020 Stocksbridge Town Fund

<b>Lead Officer to complete:-</b>	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Damian Watkinson
	Legal: David Sellars and David Cutting
	Equalities: Annmarie Johnston
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> Mick Crofts
3	<b>Executive Member consulted:</b> Councillor Paul Turpin
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.

<b>Lead Officer Name: Gillian Duckworth</b>	<b>Job Title: Director of Legal &amp; Governance</b>
<b>Date: 2<sup>nd</sup> June 2021</b>	

## **1. PROPOSAL**

### **1.1 Background**

1.1.1 On 6 September 2019 the government invited 100 places in England to develop proposals for a Town Deal, forming part of the £3.6 billion Towns Fund announced by the Prime Minister in July 2019. Stocksbridge was one of the towns invited to bid.

1.1.2 The Towns Fund is seen by Government as a key element of their 'levelling up' agenda, focusing on some of the economic growth constraints that some towns face, harnessing local assets and engaging local businesses to drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth through:

- **Urban regeneration:** Ensuring towns are thriving places for people to live and work, by: Increasing density in town centres; Strengthening local economic assets including local cultural assets; Site acquisition, preparation, remediation, and/or development; and Making full use of planning tools to bring strategic direction and change.
- **Skills and enterprise infrastructure:** Driving private sector investment and small business development; and Ensuring towns have the space to support skills and small business development
- **Connectivity:** Developing local transport schemes that complement regional and national networks; and Supporting the delivery of improved digital connectivity.

### **1.2 Progress to Date**

1.2.1 There are two phases to securing the funding, with a decision gateway at the end of each. First, towns submit Town Investment Plans, which are assessed by MHCLG. Once given permission to proceed, towns then develop agreed projects and business cases in detail and submit further information to MHCLG before funding is released for implementation.

1.2.2 The Stocksbridge Towns Fund Board, made up of local business, community and public sector representatives, came together to develop the Town Investment Plan ('TIP') for submission in January 2021.

1.2.3 The TIP sets out the vision and identifies a series of strategic priorities for the TIP to achieve real and sustainable change in Stocksbridge. Underpinning the Vision is a shared commitment to:

- ensure all local people benefit from the plan;
- leave a legacy for future generations;
- deliver improvements in an environmentally sustainable way; and
- place the health and wellbeing of the community at the heart of our plans

1.2.4 The overarching vision set out in the TIP is *to make Stocksbridge strong, vibrant and fit for future generations and to ensure local people benefit from these changes through six strategic priorities:*

- *To create a vibrant and attractive town*
- *To develop a strengthened and diversified economy*
- *To provide enhanced learning opportunities*
- *To be a more accessible town*
- *To provide first class sport, leisure, cultural and community facilities*
- *To deliver clean growth”*

1.2.5 The TIP sets out ten projects that will contribute towards achieving this vision:

- Manchester Road Phase 1
- Town Centre Placemaking
- Funicular Town Centre link
- Enhanced Cycling and Walking Trails
- Bus Improvements
- Post-16 Education Hub
- Stocksbridge Sports Hub Improvements
- Wellbeing Hydrotherapy Centre
- Oxley Park Phase 2
- Little Don River Enhancements

1.2.6 Following submission of the TIP, Stocksbridge received confirmation from MHCLG on the 3<sup>rd</sup> March 2021 that the Government will provide up to a total of £24.1 million from the Towns Fund for a ‘Town Deal’ for Stocksbridge. This is to be used to re-set the economic trajectory for Stocksbridge, build on the many opportunities that the town presents and create a productive, prosperous and healthy future for local people.

1.2.7 Town Deals cover a period of up to five years and are an agreement in principle between government, the Lead Council (Sheffield City Council) and the Town Deal Board, confirmed in a Heads of Terms document.

### 1.3 **Next Steps**

1.3.1 The ‘Town Deal’ and release of funding is subject to successfully completing Phase 2 of the Towns Fund process including detailed project development and business case assurance at local level to demonstrate the feasibility, viability and value for money of the projects and enable the submission of further information to MHCLG.

1.3.2 By 24<sup>th</sup> May 2021 MHCLG require:

- An indicative financial profile
- Project Confirmation document for each of the projects
- A draft Monitoring and Evaluation plan
- A plan for addressing the conditions set out in the Heads of Terms letter

- 1.3.3 By 23<sup>rd</sup> March 2022 MHCLG require submission of a Town Deal Summary Document, which should include:
- A list of agreed projects
  - A summary document of each of the project business cases
  - Details of business case assurance processes followed for each project
  - An update on actions taken in relation to the Heads of Terms key conditions and requirements
  - A Delivery Plan
  - A Monitoring and Evaluation Plan
  - Confirmation of funding arrangements and financial profiles for each project
- 1.3.4 Once MHCLG is satisfied with the financial profile and Summary Documentation funding will be released.

## 1.4 **Governance, Roles and Responsibilities**

- 1.4.1 The TIP has been largely developed by the Stocksbridge Towns Board and they will continue to play a critical role in project development and engagement with local resident and stakeholders.
- 1.4.2 The Council will remain Accountable Body for all funding associated with the Towns Fund and has put in place appropriate arrangements to ensure projects are developed in accordance with the guidance and Council regulations.
- 1.4.3 Each project will require an Outline Business Case to be developed and then appraised internally through the Council's gateway processes prior to seeking appropriate approvals. A Business Case summary will need to be submitted and agreed by MHCLG in order to secure a project Funding Agreement.

## 2. **HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 The Government envisages a coherent evidence-based submission and an approach which aims to ensure alignment across the key components of a strategy – often referred to as the “Golden Thread”. It should nevertheless address both the negative factors, such as market failure and impact of Covid, as well as exploit opportunities offered. It must link into other existing strategies – such as Local Plan or Regional Strategy.
- 2.2 We are committed to building a strong economy for Sheffield with thriving local neighbourhoods and communities across the city. The Towns Fund will support our commitments to tackle inequality in neighbourhoods across the city, working alongside local communities and businesses to regenerate our local centres and create new, sustainable jobs.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 The Stocksbridge Towns Fund public consultation ran from w/c 26<sup>th</sup> October with the online survey closing on Sunday 15<sup>th</sup> November 2020. The purpose of the consultation was to establish the local community's priorities for the town, to feed into the development of the Towns Fund Vision and help the Board to prioritise the projects to be included in the Town Investment Plan.
- 3.2 The consultation focussed on the broad intervention areas identified as eligible for Towns Fund monies: local transport; digital connectivity; regeneration, planning and land use (with building new homes split out from this category); arts, sport and leisure; enhancing parks, green spaces and the environment; improved skills and education provision; and supporting business and enterprise.
- 3.3 Each of the ten projects will likely require further consultation either through a community led process or through the need to secure Planning Permission. A communications and consultation plan will be to be developed for each project with the Town Board playing a key role in how the plans are developed and implemented.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality of Opportunity Implications**

- 4.1.1 There are no significant positive or negative equality implications arising from the recommendations in this report. However, accessing the funding will benefit all the local people including the creation of new jobs. The local socio-economic and community cohesion impacts should be very positive.
- 4.1.2 Improvements to the local highways and associated public realm enhancements will provide opportunities to make the local pedestrian environment more friendly, especially for people with disabilities / in wheelchairs, the elderly and parents with young children.
- 4.1.3 Equality impact assessments will be carried out during the preparation of the full business cases for individual projects to inform and guide final decisions.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 Sheffield City Council will act as Accountable Body for all expenditure associated with the Towns Fund and therefore will ensure all activity complies with the Towns Fund guidance as well as SCC regulations.
- 4.2.2 To date £190,000 feasibility funding has been secured from MHCLG to develop the Town Investment Plan and support the Towns Board. Of this £140k has been used leaving £91,000 for further project development,

community engagement, Accountable Body costs and supporting the Board.

- 4.2.3 To develop all ten projects to Outline Business Case it is estimated that a further £1.5m will be required. These costs will include site investigations, design, consultation, business case development and programme management.
- 4.2.4 The £1.5m project development will be funded from the £24.1m subject to all ten projects being agreed by MHCLG upon submission of the Business Case Summaries. There are two resulting implications:
- The Council is being requested to release £1.5m to cashflow the project development costs until such time a Funding Agreement is secured.
  - There is a risk that one or more projects will not be agreed by MHCLG due to excessive cost or non-deliverability. The project development costs associated with any rejected projects might not be reimbursed by MHCLG and, as a result, there will be a permanent cost to the council Corporate Investment Fund.
- 4.2.5 In addition to the Towns Fund, the Council will be submitting a £1.8m funding bid to the Sheffield City Region Mayoral Combined Authority to secure funding to support the acquisitions of land associated with two of the projects. Without this funding it is considered unlikely that all ten projects will be delivered as presented in the Town Plan. Analysis of the appropriate timing of any required land acquisitions will be undertaken throughout the Business Case development process when more data and certainty regarding the possible schemes is available.
- 4.2.6 The Council intends to enter negotiations with the appropriate landowners and secure the sites without the need for the use of Compulsory Purchase Orders.
- 4.2.7 The Council may face a future revenue implication in relation to the development of the Manchester Road Community Hub building. If the building does not achieve commercial sustainability the Council may need to provide support for any shortfall in operational costs. This risk will be closely managed through the design development stage of the scheme to ensure that the Community Hub building has an ongoing commercially viable and sustainable business model and therefore will not need revenue support once operational.
- 4.2.7 It should be noted that further capital interventions outlined in this report will be brought through the capital approvals process and presented to the Co-operative Executive for inclusion on the capital programme.
- 4.3 Legal Implications
- 4.3.1 Given that the TIP submission was successful, and that Heads of Terms have been agreed with MHCLG, grant funding to the Stocksbridge Town



Deal Board via the City Council acting as Accountable Body is expected. MHCLG is granting the funds by virtue of the power conferred to it by section 31 of the Local Government Finance Act 2003. The grant of the full funding will remain conditional upon and subject to the development by the Council of deliverable schemes and the submission of Full Business Cases to MHCLG.

- 4.3.2 The Localism Act 2011 s.1 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do so long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in
- 4.3.3 innovative ways to develop services that meet local need. The proposed TIP programme can be delivered through the Council using its general power of competence.
- 4.3.4 Any procurement undertaken on behalf of the Stocksbridge Town Deal Board by the Council must comply with the amended public procurement legislation and the Council’s contract standing orders.
- 4.3.5 The Council has the powers to acquire assets including land under section 120 of the Local Government Act 1972 but should exercise these powers under the principles of achieving best value.

#### 4.4 Impact of Covid 19

- 4.4.1 The proposals for Stocksbridge set out in the TIP are designed to address long-term issues and pre-existing challenges of decline, which have been exacerbated by the effects of Covid-19. The works proposed will take place over a period in which businesses will continue to adjust to the impact of the pandemic, particularly in the retail, cultural and food and beverage sectors.
- 4.4.2 The Towns Deal presents an opportunity to take decisive action now. The principles underpinning the scheme are deemed to be all the more relevant given the medium to long-term stresses facing Towns like Stocksbridge. Creating uses that attract and strengthen footfall and enable the Town to diversify will now be even more important as part of an economic recovery and in adjusting to new economic realities.

#### 4.5 Other Implications

- 4.5.1 An initial £500k of “Accelerated Funding” was received early this year for improvements to the leisure centre. That has been subject to separate approvals and the Town Investment Plan aims to complement / build on the health and leisure element of the Plan

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Do nothing – we could choose not to progress the work to secure the Towns Deal. This would be a missed opportunity to regenerate one of City’s neighbourhoods. Fundamentally this is a once in a generation

opportunity to address some key infrastructure problems faced by Stocksbridge with its unique geography and challenges, compounded by the pandemic

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The Stocksbridge Town Deal provides a significant opportunity to fund significant interventions to address current and future issues and challenges within the Town. The requirement on the Council to cashflow the cost of the process of developing the Full Business cases which will the funding is essential to deliver the Stocksbridge Town Deal