



Doncaster Council

Doncaster Town Deal – Heritage Project

Date: 16th March 2022

To the Chair and Members of the

CABINET

Doncaster Town Deal: Project C – Heritage Project

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones	Town	Yes

EXECUTIVE SUMMARY

1. As part of the Doncaster Towns Deal, agreed with the Department for Levelling Up, Housing and Communities (DLUHC), Doncaster were provisionally allocated £24,800,000 grant funding to support the delivery of three projects for Doncaster. This was following the submission of Doncaster's Town Investment Plan (TIP) to DLUHC, in January 2020. The submission of the Doncaster TIP was approved by Cabinet in January 2020.
2. The three projects identified within the Doncaster TIP were:
 - a) Project A - Doncaster Gateway; Railway Square Extension
 - b) Project B - Doncaster Station Gateway; New Multi-Use Building and Associated Public Realm
 - c) Project C – Doncaster Heritage Project
3. Doncaster were provisionally allocated £561,000 as part of the offer to fund the Town Deal Heritage Project. This fund was to be utilised to support the revitalisation of key heritage assets for Doncaster. Release of the funds was subject to the production of a Heritage Project Full Business Case (FBC) and a Summary Business Case (SBC).
4. The SBC was to be submitted to DLUHC for review. Subject to approval, DLUHC would then release the funds to Doncaster Council. Doncaster Council had previously indicated to DLUHC that the SBC for the Heritage Project would be submitted in March 2022.
5. Doncaster Council had previously indicated that SBCs for the two other projects would be submitted to DLUHC in June 2022

EXEMPT REPORT

6. This is not an exempt report.

RECOMMENDATIONS

7. It is recommended that Cabinet approve:-

R1: the submission to the Department for Levelling Up, Housing and Communities (DLUHC) of the Doncaster Town Deals Heritage Project Business Case Summary document.- confirming the intention of Doncaster Council to secure £561,000 Town Deals funding for key Doncaster heritage sites.

R2: To accept the £561,000 Town Deal funding for use on the Heritage Projects, subject to satisfactory review of the SBC by the DLUHC and in accordance with the conditions and requirements of the funding which are set out in this report.

R3: To approve the roll out of the schemes as outlined in paragraph 17 of this report

R4: To increase the budget for the Archives scheme in the Council's Capital Programme, subject to approval of the Business Case by DLUHC.

R5: To note that, the Section 151 Officer will confirm the project and expenditure represents value for money, in consultation with the relevant portfolio holder, and sign the Doncaster Heritage Project Business Case Summary submission.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. The overarching aim of the Doncaster Towns Deal is to help to increase economic growth with a focus on regeneration, improved transport, better broadband connectivity, skills and culture. Working closely with a range of stakeholders, a range of schemes have been identified for the heritage project that will support the revitalisation of key heritage assets for Doncaster – bringing them into new use as destinations in their own right. The careful consideration and redevelopment of key heritage sites could deliver against a range of Doncaster's needs in terms of providing business space, jobs, and supporting other commercial opportunities.

BACKGROUND

9. On the 6th September 2019 the Ministry for Housing, Communities and Local Government (MHCLG) announced the establishment of a £3.6 billion Towns Fund to support economic regeneration, with 100 places invited to develop proposals for up to £25 million of investment per place. Doncaster

was identified by government as a place for which this opportunity would be available.

10. Following extensive development with the Doncaster Town Deal board, consultation with key stakeholders and members of the public, the Town Investment Plan (TIP) for Doncaster was submitted to MHCLG in January 2021. The TIP effectively contained the 'bid' for Towns Deal funding.
11. Following submission of the TIP, MHCLG released the Heads of Terms (HoT) for Doncaster. The HoT contained the provisional 'offer' to Doncaster of £24.8m - including constraints, conditions and expected outcomes/outputs. The Heads of Terms were accepted by Doncaster in late June 2021.
12. The next stage was for Doncaster to confirm which projects would be taken through to full business case development. Doncaster submitted project confirmation documentation to DLUHC on 26th August 2021.
13. Following review of the project confirmation documentation, DLUHC released the Grant Offer Letter for the Doncaster Town Deal on 11th November 2021. The Grant Offer Letter contained a provisional offer of £561,000 for the Heritage Project, summary to satisfactory review by DLUHC of the SBC for Heritage. Doncaster Council had previously indicated to DLUHC that the SBC for Heritage would be submitted in March 2022, with the SBCs for Projects A and B to follow in June 2022:
 - a) Project A - Doncaster Gateway; Railway Square Extension (£4.149m provisional offer)
 - b) Project B - Doncaster Station Gateway; New Multi-Use Building and Associated Public Realm (£20.09m provisional offer)

General Detail Outlined in the Grant Offer Letter:

14. The Grant Offer Letter contained the following detail and conditions:
 - a) DLUHC agreed to allocate funding up to £24.8 million across financial years 2021/22 to 2025/26;
 - b) First payments for projects will be subject to DLUHC's review and approval of Summary Documents and monitoring & evaluation plan;
 - c) Payments in future years will only be made subject to satisfactory spend and progress against agreed project milestones, outputs and outcomes;
 - d) The agreed funds will be issued annually as non-ring-fenced grant payments under Section 31 of the Local Government Act 2003;
 - e) Section 151 officers to determine eligible project expenditure, but this must be within the total Town Deal award and must support the projects agreed by DLUHC.

Specific Requirements Outlined in the Grant Offer Letter:

- a) The accountable body (Doncaster Council) must implement for each business case the project assurance process specified in the Heads of Terms. After that the accountable body must submit to DLUHC the Summary Documents of the business cases;

- b) DLUHC should be notified in writing of the dates when you expect to submit summary documents;
- c) Submit any planned changes to spend, outputs or outcomes, cost-benefit projection/value for money, or the monitoring and evaluation plan as a project adjustment request to the relevant Towns Fund lead. Note that if the proposal is to cancel or replace a given project, DLUHC cannot guarantee that equivalent funding will be assigned to alternative projects;
- d) Pay due regard to responsibilities under the accountable body's Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 when apportioning Town Deals funding;
- e) Comply with DLUHC's mandatory monitoring and evaluation requirements, signing up to a monitoring and evaluation plan including relevant indicators and targets for these indicators, and reporting twice a year on inputs, activities and outputs;
- f) Adhere to the Towns Fund Communication and Branding Guidance issued in May 2021;
- g) Business Case Summary Documents to be submitted to DLUHC no later than 30th June 2022.

Heritage Project Summary Business Case

15. Following online consultation as part of the Towns Deal process, a number of potential heritage schemes were identified for inclusion in the Heritage Project. A summary of the public consultation feedback regarding the Heritage Project is included in Appendix A. A shortlisting methodology was developed and applied to the 'long list', using criteria such as:
 - a. Affordability
 - b. Capacity to deliver
 - c. Value for Money
 - d. Risk management
 - e. Delivering benefits, aligned to the outcomes identified in the Doncaster TIP
16. Shortlisted projects were assessed in more detail to understand which projects most closely meet the fund criteria, intervention themes and identified priorities. As part of the shortlisting process potential barriers to project delivery were considered such as affordability, planning constraints, heads of terms monitoring outcomes, match funding issues and location.
17. The final shortlist was reviewed and agreed by the Doncaster Town Deal board. These schemes were:
 - a. **Doncaster Museum and Art Gallery** – Doncaster's former Museum and Art Gallery, within the Civic and Cultural Quarter - Doncaster Towns Deal Heritage project funds to support:
 - i. Creation of a public facing facility by co-funding the provision of a multi-use space for heritage events, family history research

and archive facilities - £450,000 (Capital)

- b. **Doncaster Grand Theatre** – Doncaster's Grand Theatre sits opposite Doncaster Train Station and the City Gateway - Doncaster Council will utilise Town Deals heritage funding to
 - i. Commission a full feasibility study at the Doncaster Grand Theatre, co-funded by the Theatres Trust. The first, essential step to identifying the future for one of Doncaster's best loved cultural and heritage assets, with strong public opinion on its restoration - £18,500 (Revenue)
 - ii. Contribute to renovation work to the Doncaster Grand Theatre façade – £3,750 (Capital grant to an outside body.)
- c. **St James' Church** – Doncaster's St James' Church is located on St Sepulchre Gate West at the edge of the City Gateway. Labelled, the 'Railway Church' due to its proximity to Doncaster Train Station and its relationship with local railway work - Doncaster Towns Deal Heritage project funds to support:
 - i. Doncaster Council to utilise Town Deals heritage funding to commission a full feasibility study and Royal Institute of British Architects (RIBA) Stage 2 design work to identify how the Church's vision of enhancing the quality and offer to the local community and celebrating the church's heritage as the religious building for people working on the railway could be realised - £18,750 (Revenue)

18. A total of £2,076,500 match funding has been identified to support the realisation of these schemes:

- a. £11,500 – Theatres Trust 'Theatres at Risk Capacity Building Programme' (contribution to a Grand Theatre feasibility study)
- b. £2.065M – Doncaster Council (contribution to the wider Doncaster Museum & Art Gallery repurpose as an Archive facility)

19. Assuming DLUHC approval of the SBC, the Heritage project would deliver the following outputs:

- a. 2 upgraded historical buildings and 1 additional green space
- b. 2 feasibility studies giving specialist technical support for heritage assets to allow the development of further investment opportunities
- c. 4856m² of new public space (Doncaster Archives)
- d. 474m² of renovated heritage frontage (Doncaster Grand Theatre)
- e. 3 new innovation facilities pump primed for further capital and revenue investment
- f. 600 households having improved perception of place

20. It is concluded that the overall projects represent Value for Money, based on the funding being requested, the outputs that will be delivered and wider social considerations of impact. Analysis was undertaken to determine the Social Return on Investment (SROI) and Benefit Cost Ratio (BCR) of benefits that could be reasonably quantified. This resulted in a SROI of £4.91/£1 and BCR (after applying a 15% Optimism Bias) of 2.4:1. Whilst it is difficult to apply quantifiable benefits to the projects benefitting from a feasibility study, it is determined that both represent Value for Money in its widest sense:
- a. The Grand Theatre has undertaken various feasibility studies previously, with no long-term result as a consequence. However, since previously undertaken, the impact of Covid-19 and emphasis of heritage and culture in the Government's Levelling Up Agenda and subsequently funding opportunities, has made now an optimum time to understand how the Grand can play its part in the Urban Centre, whilst providing the specific focus required to pitch for investment as a consortium (Frenchgate, Friends of the Grand Theatre, Doncaster Council). Without an updated study to reflect these changes, the Grand Theatre would remain vacant;
 - b. St James' Church is a popular heritage asset serving the local community of the City Gateway and beyond. Whilst it functions for the community, more could be done to realise the Churches vision as a community asset and hub. This requires long-term capital investment that cannot be accessed or pitched for without first undertaking the first two stages of the RIBA process. The feasibility and design stage of the asset will provide a platform to access further regeneration assets, vital to improving the social value and impact of the Church.
 - c. Both assets form part of the City Gateway vicinity, which the Town Investment Plan is focused upon, thus both projects provide the first steps in the RIBA process to regenerate two important culture and heritage projects within the wider masterplan and vision of the Town Investment Plan.
 - d. Utilising a combined total of £37,250 out of a £561k pot (of which is part of a £24.8m pot), represents Value for Money when considering the importance of the schemes in realising future investment and regeneration opportunities and their subsequent benefits. It also meets initial criteria in the Towns Fund Guidance to 'New or upgraded museums, theatres, community spaces, etc.', by providing first necessary steps. In short, without investing in these preliminary stages, both assets will fail to reach their potential and negate any heritage and culture opportunities in the City Gateway.

OPTIONS CONSIDERED

21. Two options have been identified:
- a. Do not submit Doncaster Towns Deal Heritage Project Summary Business Case to DLUHC. The inclusion of Doncaster in the Towns Deal recipients list is an opportunity, not a directive. Whilst this is an option, it would mean that Doncaster miss a significant opportunity to revitalize the identified key heritage assets that the Towns Deal could deliver. **This is not the recommended option.**
 - b. Approve and submit to the end of March 2022 the Doncaster Towns Deal Heritage Project Summary Business Case document – concluding our bid to secure £561,000 in heritage investment.

This is the recommend option

REASONS FOR RECOMMENDED OPTION

22. The Doncaster Towns Deal Heritage Project provides an exciting opportunity for Doncaster to benefit from significant revitalisation of key heritage assets. The schemes identified within the SBC have been carefully identified, assessed and selected using robust criteria – including feedback from public consultation. The Heritage Project outcomes and recommendations have been reviewed and approved by the private sector-led Town Deal Boards. The approval and submission of the SBC for Doncaster heritage will lead to significant transformation, which should be embraced.

IMPACT ON THE COUNCIL'S KEY OUTCOMES

	Outcomes	Implications
	<p>Doncaster Working: Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> • Better access to good fulfilling work • Doncaster businesses are supported to flourish • Inward Investment 	<ul style="list-style-type: none"> • Supports the wider regeneration of Doncaster town centre following the economic shock of Covid-19 and previous observed town centre trends • Grand Theatre project could create new and diverse jobs or support business starts through providing collaborative working space • Supports the development of Community Assets outside the town centre
	<p>Doncaster Living: Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> • The town centres are the beating 	<ul style="list-style-type: none"> • Grand Theatre project would support delivering cultural wellbeing in the form of protected heritage and potential arts provision within the building • Promotes investment

	<p>heart of Doncaster</p> <ul style="list-style-type: none"> • More people can live in a good quality, affordable home • Healthy and Vibrant Communities through Physical Activity and Sport • Everyone takes responsibility for keeping Doncaster Clean • Building on our cultural, artistic and sporting heritage 	<p>opportunities outside of the town centre</p>
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RISKS AND ASSUMPTIONS

23. Risk that DLUHC reject the Heritage Project SBC following review. MHCLG established a 'Towns Fund Delivery Partner' function, to support local authorities and Town Deal boards to navigate the Town Deal process. Representatives from Doncaster Council and the Town Deal boards have been working with the Towns Fund Delivery Partners throughout the process, benefitting from the quality assurance/'critical friend' offer the Partners provide. Further to this, Doncaster Council has previously submitted the Project Confirmation documents to DLUHC, confirming the schemes intended for taking forward for FBC development. This confirmation has been acknowledged by DLUHC, with further acknowledgment from DLUHC contained within the Heads of Terms and Grant Offer Letter – both aligned to the identified heritage schemes.
24. Risk that the identified projects are not delivered to time and/or budget. Robust project management with appropriate governance structures will continue throughout the life of the project, to mitigate the risk of project time/budget overrun.
25. Risk that the feasibility studies funded through the Heritage Project do not lead to further investment in the identified heritage assets. The project will continue to monitor the progress and outcomes of the feasibility studies and work with the Towns Deal Board and other partner agencies – with a focus on exploring further investment opportunities.

LEGAL IMPLICATIONS [Officer Initials NJD Date 04/03/22]

26. Section 1 of the Localism Act 2011 provides the Council with the general power of competency, allowing the Council to do anything which a person is permitted to do.
27. Once the Council have submitted their Doncaster Town Deals Heritage Project Business Case Summary document, DLUHC will undertake a review. If the business case summary document is accepted, payment of the funding will be made to the Council. We are informed that there will not be any formal terms and conditions attached to the funding.
28. The funding must be spent on the purpose for which it has been given, in accordance with the business case summary document and the Towns

Fund guidance issued from time to time by DLUHC

29. The Council will use part of the Project C Doncaster Towns Fund money to create a public facing facility at Doncaster Museum and Art Gallery, to carry out a feasibility study at St James' Church and at Doncaster Grand Theatre. Any procurement activity must be carried out in accordance with the Council contract procedure rules, the Public Contracts Regulations 2015 and the Towns Fund guidance issued from time to time by DLUHC.
30. The remaining Project C Doncaster Towns Fund money will be given as grant to Doncaster Grand Theatre to contribute to renovation work to the Doncaster Grand Theatre façade. This grant should be made in accordance with the Council financial procedure rules and a funding agreement should be entered into.

FINANCIAL IMPLICATIONS [Officer Initials: CA Date 04.03.22]

31. A total of up to £24.8m Towns Fund grant funding from DLUHC for Doncaster Town Deal projects has been provisionally offered, subject to successfully completing Phase 2 of the Towns Fund process, which requires detailed project development and business case assurance at local level.
32. In the absence of a funding agreement, reliance is on the relevant funding requirements set out in the Grant Offer Letter and Heads of Terms. These are set out in the body of the report. All Towns Fund grant must be spent by March 2026. The agreed funds will be issued as non-ring-fenced grant payments under Section 31 of the Local Government Act 2003.
33. The Heritage project is one of three projects within the Doncaster Town Deal, with £0.56m being provisionally allocated for this project in the Grant Offer received from DLUHC. The profile for spend is within the 2022/23 financial year.
34. The Towns Fund allocation for the Heritage project is as follows:

Heritage Project	Towns Fund Capital £m	Towns Fund Revenue £m	Total £m
Doncaster Museum and Art Gallery	£0.45m		£0.45m
Doncaster Grand Theatre	£0.07m	£0.02m	£0.09m
St James' Church		£0.02m	£0.02m
Total	£0.52m	£0.04m	£0.56m

35. In addition, the Theatres Trust have offered funding of £11.5k towards the cost of the feasibility survey for the Grand Theatre and formal commitment should be sought before the survey is commissioned by the Council.
36. Project expenditure or commitment to expenditure should be following formal approval of the Summary Business Case by DLUHC.

37. The budget in the Council's Capital programme for the former Museum and Art Gallery will be increased to include funds from DLUHC as above, subject to business case approval. Any ongoing revenue costs arising from this project will need to be identified and met from the Council's Heritage and Library Service budget, in line with the assumptions for the wider scheme.
38. The Grand Theatre scheme will involve a grant to an outside body. The Council's Financial Procedure Rules E.16 – E.18 cover Grants to Outside Bodies and these procedure rules will need to be complied with, including record keeping, monitoring requirements and legally binding agreements being in place between the Council and the recipient(s).
39. If the projects identified for funding do not progress or are not approved, DLUHC have not guaranteed that funding can be assigned to alternative projects or that if it is, those will be to the same value. This may result in an overall reduction in the amount of funding received and could lead to abortive project development costs.
40. The Council's internal delivery team will need to report on this funding and should maintain an audit trail to support the reporting requirements.

HUMAN RESOURCES IMPLICATIONS [Officer Initials: DK Date 01/02/22]

41. There are no HR implications specific to the recommendations in the report, however, any emerging matters that impact on the workforce will require HR engagement at the appropriate time.

TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 04/02/22]

42. There are no specific technology implications relating to recommendations outlined in this report.

HEALTH IMPLICATIONS [OFFICER INITIALS CT DATE 03/02/22]

43. Heritage helps to strengthen our towns and cities, levelling up places across the borough and fostering close community cohesion. Heritage has a unique role to play in promoting both societal and individual wellbeing. It offers the intangible: a sense of rootedness and identity, of place and understanding. It has the potential to make a positive impact on mental health and the pleasure of being together in places that encourage thought and reflection and activity and friendship.

Therefore Public Health supports the recommended option.

EQUALITY IMPLICATIONS [NA Date 31/01/22]

44. Equality impact assessments will continue to be developed over the course of projects development and will be reviewed and updated at each stage

CONSULTATION

45. Consultation exercises were conducted as part of the process of delivering the Doncaster TIP – including identification of assets in scope for the Heritage Project. A public, online consultation exercise was undertaken in December 2020 and January 2021. The consultation platform attracted 3,259 visitors, resulting in 506 individual respondents. The consultation feedback identified strong support for the Heritage Project aspect of the Doncaster Town Investment Plan. 70% of respondents indicated that they were either ‘positive’ or ‘mostly’ positive with the Heritage Project, whilst only 17% of respondents indicated that they were either ‘negative’ or ‘mainly negative’. Preserving Doncaster’s built heritage was seen as very important to respondents (80%), which the Heritage Project seeks to support.
46. The shortlisting and selection of the schemes within the Heritage Project was undertaken by the Doncaster Town Deal Board, composed of members from both the private and public sector.

BACKGROUND PAPERS

47. ODR1 – Doncaster Town Deal Project Confirmation dated 10th August 2021



**ODR1 Doncaster
Town Deals Project**

Doncaster Town Deal Heritage Project – Summary Business Case dated 31st January 2021



**Doncaster Town
Deal Heritage Project**

- 48.

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

DLUHC	Department for Levelling Up, Housing and Communities
FBC	Full Business Case
SBC	Summary Business Case
MHCLG	Ministry of Housing, Communities and Local

	Government
TIP	Town Investment Plan
HoT	Heads of Terms
RIBA	Royal Institute of British Architects

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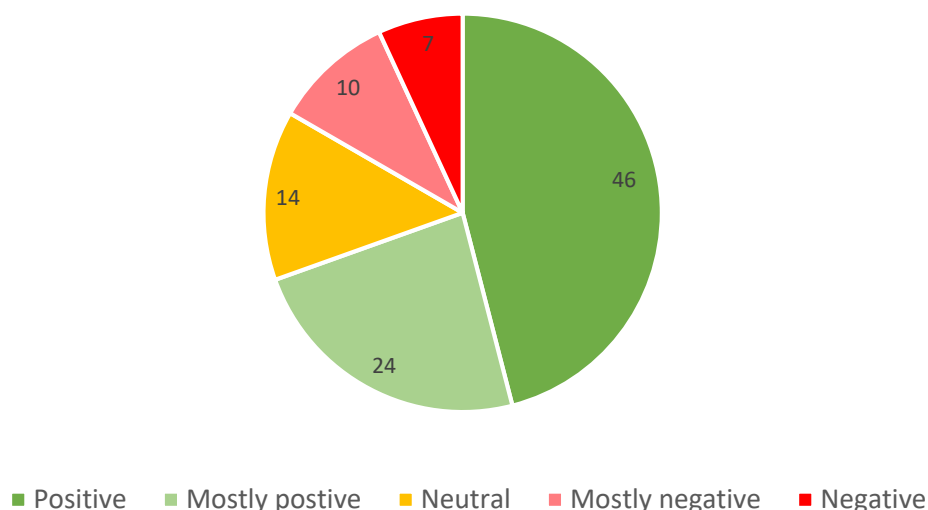
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Appendix A – Overview of Online Public Consultation on Doncaster Town Deals (Heritage Project) – December 2020

“This project focusses upon Doncaster’s heritage sites, which reflect its rich history and diverse character. Initial ideas include performance space, space for creative industries and other complementary industry sectors including retail and hospitality (including, café, bar, or restaurants). This could enhance Doncaster’s arts and cultural offer, protect valued heritage buildings, and contribute to the regeneration of Doncaster.”

Respondents overall feeling about the project was as follows:

Feelings about the Doncaster Heritage Project (%)



The elements of the project which people felt were most important are summarised in the graph below:

