



Doncaster Council

Doncaster Town Deal – Station Gateway Projects

Date: 8th June 2022

To the Chair and Members of the CABINET

Doncaster Town Deal – Station Gateway Projects

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones Portfolio Holder for Housing and Business.	Town	Yes

EXECUTIVE SUMMARY

1.0 This report seeks approval to submit the Business Cases for the Doncaster Town Deal Station Gateway Projects, sets out the requirement for the Council to have the ability to acquire key strategic properties to facilitate the delivery of the Doncaster Towns Deal projects and seeks to delegate approval to the Director of Economy and Environment and the Director of Corporate Resources to award future contract appointments relating to the delivery of the projects.

1.1 The Government Department for Levelling Up, Housing and Communities (DLUHC) released the Grant Offer Letter for the Doncaster Towns Deal in November 2021, confirming £24.8m towards the Doncaster Towns Deal Projects which included the following projects;

- (i) Doncaster Gateway: Railway Square Extension (£4.149m)

A significant extension to the recently upgraded Railway Square to allow

connection with the Station Gateway site, allowing greater walkability and space for enterprise. The public realm will be predominantly soft landscaped to provide a green urban space within the town centre.

(ii) Doncaster Gateway: New Multi-Use Building and Associated Public Realm (£20.09m)

This project is a keystone development to promote and encourage further investment in the Doncaster Gateway site and involves the delivery of a 4-5 storey office/mixed-use building. This is a very significant project, with the majority of spend required on the build costs of a new mixed-use building but with wider public realm, connectivity, active travel and regeneration elements. The building will be of the highest quality design and have the best green credentials, which is critical to achieving the project objectives and to attract the highest quality of commercial tenant to the development.

(There is also an additional project Doncaster Heritage (£0.561m) but the Business Case relating to this was reported to Cabinet in March 2022 and the project does not require any land acquisitions).

- 1.2 The proposed site locations for the Railway Square Extension and the New Multi-Use Building and Associated Public Realm schemes are currently occupied by privately owned properties, including an office development, a plumbing wholesaler and a vacant property. The acquisition of these properties is required to facilitate the development of the proposed new commercial building and public realm schemes.
- 1.3 The negotiations to acquire the properties is on-going but it is the intention to support these negotiations using CPO powers.
- 1.4 It is anticipated, in the current project programme, that the main contract for the construction of the scheme will be made in March 2024. The construction works are currently programmed for a start on site April 2024 with completion due by September 2025.

EXEMPT REPORT

- 2.0 Whilst this report is not exempt it does contain an exempt Appendix 1. Appendix 1 is not for publication because it contains exempt information 'by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, as amended, as it contains exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

RECOMMENDATIONS

- 3.0 Cabinet is recommended to:
 - (i) approve the submission to the Department for Levelling Up, Housing and Communities (DLUHC) of the Project Business Case Summary

Documents (attached to Appendix A of this report) for Project A - Doncaster Gateway: Railway Square Extension (£4,149,000) and Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm (£20,090,000), confirming the intention of Doncaster Council to secure a combined £24,239,000 Town Deals funding for key Doncaster heritage sites;

- (ii) accept the £24,239,000 Town Deal funding for use on Project A - Doncaster Gateway: Railway Square Extension (£4,149,000) and Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm (£20,090,000), subject to satisfactory review of the SBCs by the DLUHC and in accordance with the conditions and requirements of the funding which are set out in this report;
- (iii) delegate authority to the S151 Officer in consultation with the Mayor, to accept and agree the funding if there are any further terms and conditions or associated funding agreements issued as part of the formal approval of funding;
- (iv) note the estimated funding gap on the scheme, as set out in Appendix 1, and approve the use of the Council's Investment & Modernisation Fund, already approved within the Council's capital programme, to fund the gap;
- (v) include the projects as detailed in Appendix 1 in the relevant part of the Council's Capital Programme;
- (vi) note that, the Section 151 Officer will confirm the project and expenditure, as per the Business Case, represents value for money, in consultation with the relevant portfolio holder, and sign the Project Business Case Summary Documents for Project A - Doncaster Gateway: Railway Square Extension and Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm;
- (vii) delegate authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources, to acquire by agreement with landowners, the property and land required for the construction of the Station Gateway projects;
- (viii) delegate authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources, to procure and award the Pre-Construction Services Contract and Main Works Contracts, in compliance with the Council's Contract Procedure Rules (CPR's).

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

- 4.0 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.

- 4.1 The implementation of the projects will deliver a new urban greenspace in the town centre which will improve the current opportunities related to wellbeing and leisure for residents and visitors. The new commercial building will offer potential employment opportunities and wider economic benefits to the area.

Working closely with a range of stakeholders, the two projects have been identified to deliver against a range of Doncaster's needs in terms of providing business space, jobs, and supporting other commercial opportunities.

The main economic benefits of the projects, as outlined in the project Business Case are as follows;

- Direct land value uplift
- Wider area (indirect) land value uplift
- Active travel benefits
- Employment benefits
- Crime reduction
- Improved Health and Well-being

BACKGROUND

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 Following review of the project confirmation documentation, DLUHC released

the Grant Offer Letter for the Doncaster Town Deal on 11th November 2021 for a total £24.8m allocated to the projects outlined below;

Project A - Doncaster Gateway: Railway Square Extension (£4.149m provisional offer)

Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm (£20.09m provisional offer)

5.6 Project C – Doncaster Station Gateway: Heritage (£561,000)

The provisional funding offers are subject to satisfactory review by DLUHC of the Project Summary Business Cases. As previously indicated to DLUHC by Doncaster Council the SBC for Heritage was submitted in March 2022, with the SBCs for Projects A and B to follow in June 2022.

5.7 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.

The Projects

5.8 Major Projects have been working with Queensberry Real Estate Consultants who have provided expert advice on the current market demands for commercial office space in addition to projected potential rental income from the development.

5.9 Queensberry have advised that within the regional marketplace there is a regular demand for 5-20,000sqft. As businesses return to the office, they are seeing faults and challenges within their existing premises with several clients starting to think about potential moves in the next 12-24 months. Moreover, many businesses are closer to lease expiries or breaks following small extensions through Covid Lockdown conditions or are currently located in generally older less attractive buildings. They are now looking at relocation or taking the next step to a larger office base. The number of businesses taking into account these considerations is expected to steadily increase over the next few years. The fundamentals of the office have not changed for many businesses and still require a space and a base for the business. However, how businesses use the office has shifted slightly since Covid with trends moving towards flexible working, increased break out areas, virtual meeting

areas and events, with some tenants taking more space to accommodate such facilities.

- 5.10 The design of the building allows sub-division for separate floors or compartments within floors, giving a highly level of flexibility to be able to adapt to potential tenant requirements and allows a flexible approach to leasing and targeting of potential tenants. In order to achieve the aspirations of the project and create the rent levels required, the hierarchy of tenant types to be targeted is listed below:
- International / National / Established Regional Organisation to take full building space
 - National / Established Regional Organisation to take 5,000 – 10,000 sq ft (2 floors) of building
 - Management Tenant to take full / partial building space and operate a managed workspace serving several businesses located in shared or smaller work units
- 5.11 The commercial input into the design process and allowances made within the development appraisal for rent free periods and capital incentives will allow the above targets to be pursued. Preliminary discussions have been held with an established national management tenant who has expressed an interest in the building as managed workspace following the success of similar enterprises that they operate in the region, in addition to other national locations.
- 5.12 The Major Projects Team has been working with external partners Willmott Dixon and Queensberry on the design and development of the project.
- 5.13 In respect of the Doncaster Town Deal projects (Project A – Station Gateway: ,Railway Square Extension and Project B – Station Gateway: New Multi-Use Building) Willmott Dixon were appointed, in agreement with DMBC Procurement Team, to undertake design and project development work to incorporate a Feasibility Study and RIBA Stage 2. The progression of the scheme to RIBA 2 was considered necessary to assist the wider project programme by accelerating the Pre-Construction works. The outputs of the work undertaken to date include a Building Design Study, scheme designed to RIBA Stage 2 (Concept Design) including Structural and Services Plans, Site Logistics and Zoning proposals, Technical Surveys, Social Value Draft Plan, BCIS Cost Plan and Benchmarking Comparisons, Project Programmes (Pre-Con and Construction) and Risk Register. The main outputs of the Stage 2 Work form the basis of the projects on which the Project Business Cases are based.
- 5.14 In order to progress the project in line with the overarching project delivery programme, the Council will procure and award the Pre-Construction contract required to develop the schemes and then procure the Main Works Contract, in compliance with the Council's Contract Procedure Rules (CPR's).

Summary Business Cases - Doncaster Station Gateway: Railway Square Extension and Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm

- 5.15 The completed Summary Business Case, documents are appended to this report, have been produced for submission to DLUHC as per the terms of the Grant Offer letter.
- 5.16 The Doncaster Station Gateway projects are in principle the original schemes that were included in the Town Investment Plan (TIP) and were subject to the award of a combined £24,239,000 Town Deal funding.
- 5.17 The Doncaster Gateway: Railway Square Extension scheme (£4.149m budget) will provide a significant extension to the recently upgraded Railway Station Forecourt to allow connection with the Station Gateway site, allowing greater walkability and space for new enterprise. The scheme requires the acquisition of existing office development which will be demolished to create the site for delivery of the proposed new public realm scheme. In addition, this will allow the exploration of options to improve car parking and drop-off arrangements for the station.
- 5.18 The scheme, currently designed to RIBA 2, incorporates a hard-landscaped boulevard linking the station forecourt to the new office building development. The concept for the wider public realm scheme is a softer, greener landscape to complement the harder environment immediately adjacent the station and to have trees screening the adjacent Trafford Way road.
- 5.19 The aspiration is to create an urban greenspace in the heart of the town to support the objectives of improved wellbeing and connection to nature.
- 5.20 The main outputs of the Railway Square Extension scheme include 400m new or upgraded cycle or walking paths, delivery of 8,000 m² of new public realm and 30 additional cycle parking spaces. Wider outcomes will be improved commuter flows, enhanced perception of place and increased health and well-being for residents.
- 5.21 The Doncaster Gateway: New Multi-Use Building and Associated Public Realm (£20.09m budget) is a keystone development to promote and encourage further investment in the Doncaster Gateway site and involves the delivery of a 4-5 storey office/mixed use building. This is a very significant project, with the majority of spend required on the build costs of a new mixed-use building but with additional improvements to the wider public realm and connectivity to pedestrian and cycle routes.
- 5.22 The building design has been developed to RIBA Stage 2 (concept design) with a target Gross Internal Floor Area (GIFA) of maximum 4,650m² incorporating a ground floor with four principal upper floors and a further roof level utilised for plant and ancillary support functions.
- 5.23 The principal use of the building will be commercial office space on the upper

floors, capable through the grid structural layout of being subdivided in various configurations. The Ground Floor will comprise 2 public facing retail units, likely to focus on high quality food and beverage offer and/or health and fitness provision.

- 5.24 The design currently includes 2 core options, central core and side core, which will be further design tested and considered in context of commercial appraisal and building servicing requirements.
- 5.25 Amenity enhancements on the upper floors will include inset balconies and winter gardens to key north (station facing) and south elevations. These features will help to provide a quality of biodiversity and wellbeing to the building.
- 5.26 Elevational treatment will be high quality and robust using materials and systems that are easily sourced, sustainable, cost effective and characterful.
- 5.27 The preferred environmental treatments will be passive, with opportunities for natural daylighting and natural ventilation favoured within the façade design wherever possible. Where required, additional provision will be made to resolve acoustic and air quality constraints imposed by the proximity of the adjacent Trafford Way.
- 5.28 The building design and construction is targeting the highest green credentials including Net Zero Carbon in operation, BREEAM Excellent rating and an EPC rating of A. In addition to the obvious environmental benefits of developing a highly green and sustainable building, such standards are highly desirable to top end tenants who will be targeted for the building.
- 5.29 The quality of design and the environmental attributes of the building, as outlined in the section above, must be maintained throughout the project delivery process and any potential value engineering of the scheme costs should not impact on these core objectives.
- 5.30 The main outputs of the New Multi-Use Building and Associated Public Realm scheme include 6,000 m² gross of new commercial development, 2,600 m² of public realm improved, 4,500m² of gross office space (including shared access and circulation) and 1,500m² of potential retail/leisure floorspace on the ground floor (including shared access, circulation and reception). Wider outcomes include an increase in the amount (and diversity) of high quality, affordable commercial floor space, delivery of new public spaces, an increase in the amount shared with workspace or innovation facilities, increased number of enterprises utilising high quality, affordable and sustainable commercial spaces and an enhanced perception of the place by residents/businesses/ visitors.
- 5.31 The Economic Benefits of the projects has been calculated in the Economic Business Case which forms part of the Full Business Case and include Direct Land Value Uplift, Wider Area (indirect) land value uplift, Active Travel Benefits, Employment Benefits and Crime Reduction.

- 5.32 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 Benefit Cost Ratio (BCR) of benefits that could be reasonably quantified. The benefits of this scheme more than exceed its cost, with a combined BCR of 1.72 (Multi-Use Building 1.74 and Railway Square Extension 1.65) which means for every £1 of cost, the monetised value of benefits is £1.72. This is rated 'medium' by the standard UK Government Value for Money framework. The BCR could be further improved through the inclusion of wider, non-quantified benefits.
- This scheme has a positive net present social value of £20,319,185. The net present social value (NPSV) is the difference between the present value of benefits generated by the scheme and the present value cost of the scheme (which includes 15% optimum bias and 3.5% discount rate, in line with Treasury Green Book guidance for project appraisal). Optimism bias does not change the actual costs of the scheme as it is only included within the economic appraisal and not within the actual project costs.

- 5.33 The submission of the Summary Business Cases will enable further drawdown of the Town Deal grant funding, subject to review and approval by DLUHC.

Project Costs

- 5.34 The estimated total project cost is set out in Appendix 1 of this report. The allocated combined budget from the Towns Deal funding for the projects is £24,239,000, based on estimated costs calculated in 2020.
- 5.35 The design and construction element of the scheme has now been developed to RIBA Stage 2 Design (Concept) by partners Willmott Dixon.
- 5.36 If project costs increase further, other sources of funding will need to be secured. A bid may be made to the Council's Investment and Modernisation Fund if the project cannot continue without additional funding and the income from the scheme is sufficient to meet the requirements of the fund.

Property Acquisitions

- 5.37 DMBC Major Projects Team has been progressing the processes required to prepare to take forward the schemes to a full planning application, make relevant contractor appointments and secure acquisition of the relevant property and land to facilitate the delivery of the schemes.
- 5.38 The Councils Financial Procedure Rules (C.19) state that where budget provision for an acquisition exists within the total Council budget, the Property Officer may approve a purchase of land or property.

OPTIONS CONSIDERED

6.0 The following options have been identified for each of the recommended actions:

6.1 Summary Business Case Submission

(i) Do not submit Project Summary Business Cases to DLUHC for Project A - Doncaster Gateway: Railway Square Extension and Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm. The inclusion of Doncaster in the Towns Deal recipients list is an opportunity, not a directive. Whilst a decision not to proceed with the Business Case is an option, it would mean that Doncaster miss a significant opportunity to kick start the regeneration of the Station Gateway area and the identified key social and economic benefits that the Towns Deal could deliver.

This is not the recommended option.

(ii) Submit Project Summary Business Cases to DLUHC for Project A - Doncaster Gateway: Railway Square Extension and Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm by the end of June 2022, concluding the Council's bid to secure £24,239,000 Town Deal Grant Investment towards the delivery of the identified Station Gateway Projects. **This is the RECOMMENDED OPTION**

6.2 Design and Construction Contract Appointments

(i) Do not proceed with the process of procuring and awarding Pre-Construction Services Contract and Construction Contract. This would mean the project design and delivery would not be able to progress and the project would end.

This is not the recommended option.

(ii) Delegate authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources, to procure and award Pre-Construction Services to progress design and project development through RIBA Stages 3-5 and subsequent procurement and award to construct the schemes through the entering into a Main Works Contract.

This is the RECOMMENDED OPTION.

REASONS FOR RECOMMENDED OPTION

7.1 Summary Business Case Submission

(i) The Doncaster Towns Deal Doncaster Gateway: Railway Square Extension and Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm projects provide an exciting opportunity for Doncaster to benefit from significant regeneration of the key Station Gateway site. The schemes identified within the Summary Business Cases have been carefully identified,

assessed and selected using robust criteria and the Project outcomes and recommendations have been reviewed and approved by the Town Deal Boards. The approval and submission of the Summary Business Cases for Doncaster Gateway Projects will lead to significant transformation and act as a catalyst for potential future redevelopment.

7.2 Design and Construction Contract Appointments

- (i) The delegation of authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources, to procure and award contracts for Pre-Construction Services and Main Works will allow for more efficient managing of the required design process and subsequent construction works in line with the overall project programme, currently designed to achieve completion of the project before the end of the Town Deal funding in March 2026.

IMPACT ON THE COUNCIL’S KEY OUTCOMES

8.

	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"> • Improves flow and circulation from Doncaster town centre key public transport entry point into the urban centre of the town • Railway square extension leverages Doncaster’s position as a major regional transport link to further encourage potential investors • Provision of good quality office/mixed use facilities attracts growing and new business to the town, and therefore better-quality employment opportunities • Supports the wider regeneration of Doncaster town centre following the economic shock of Covid-19 and previous observed town centre trends

	<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 heart of Doncaster • 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 	<ul style="list-style-type: none"> • Doncaster Gateway new multi-use building provides upgraded spaces to create vibrancy and footfall in a currently underused site. • The station square extension will provide green space for the community to enjoy and will encourage people to use public transport and feel safe and welcome. • The sense of ‘arrival’ at the new Gateway raises the aspiration for the community of Doncaster and increased perception of the town as a great place to visit and of which to be rightly proud • Gateway projects protect and enhance the cultural public house assets in the area – whilst promoting increased footfall to the area. • Promotes investment opportunities outside of the town centre
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RISKS AND ASSUMPTIONS

9.0 The project cost estimates are subject to negotiation and could therefore increase beyond the current estimates. The Major Projects Team are committed to seeking efficiencies and will undertake value engineering on the construction and public realm elements to reduce costs, where possible, without compromising the objectives of the scheme, however the majority of cost risk is surrounding the acquisitions required to deliver the scheme.

9.1 The current cost estimate for the design and construction of the scheme has been developed by a contractor highly experienced in the construction of major building schemes but there is still a risk that the actual outturn cost could exceed the current estimate. The main risks relate to inflation which could increase costs significantly by the time of the proposed commencement of construction in

Spring 2024. However, an allowance has been made in the current cost plan to mitigate any potential inflationary rises. Other potential risks that could lead to increased costs include site ground risks such as discovery of unknown contamination, archaeological finds or unforeseen services requiring diversion although a general risk allowance is currently factored into the cost plan and further detailed surveys undertaken as part of the Pre-Construction stage will further clarify the potential risks and costs.

- 9.2 It is likely that the procurement and award of the Pre-Construction Services contract will commence ahead of formal approval by DLUHC of the Summary Business Cases, in order to reduce the risk of delay to the construction timetable. This will be considered against any associated risks, such as abortive costs in the unlikely event of the Business cases not being approved.

LEGAL IMPLICATIONS [Officer Initials...NJD..... Date17th May 2022]

- 10.2 Section 1 of the Localism Act 2011 provides the Council with a general power of competence, allowing the Council to do anything that individuals generally may do. Section 111 of the Local Government Act 1972 gives the Council the power to purchase goods and services.
- 10.3 The Towns Deal is a two-stage process, stage one covered the preparation and submission of the Town Investment Plan. The Councils successfully completed stage one and received heads of terms and a 5% advance payment. For stage 2, the Council will now complete and submit a business case summary for DLUHC's consideration.
- 10.4 Once the Council has submitted their Doncaster Town Deals business case summary, DLUHC will undertake a review. If the business case summary is accepted, payment of the funding will be made to the Council as accountable body. Further legal advice will be given should formal terms and conditions be attached to the funding.
- 10.5 The funding must be spent on the purpose for which it has been given, in accordance with the summary business case and the Towns Fund guidance issued from time to time by DLUHC
- 10.6 The Council has the power 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.
- 10.7 The Council will procure and award the pre-construction services agreement and main works contract. The procurement for these contracts must be carried out in accordance with the Public Contracts Regulations 2015 and the Councils Contract Procedure Rules. Legal services will provide advice and assistance for the completion of the pre-construction and construction contracts and in relation to any property transactions.

FINANCIAL IMPLICATIONS [CA..... Date.....24.05.22.....]

- 11.1 A total of up to £24.24m Towns Fund grant funding from DLUHC for Doncaster Town Deal Station Gateway 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.
- 11.2 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, which 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-ringfenced grant payments under Section 31 of the Local Government Act 2003. The Council's internal delivery team will need to report on this funding and should maintain an audit trail to support the reporting requirements.
- 11.3 The estimated cost and funding profile for the Station Gateway Projects is set out in Appendix 1.
- 11.4 The estimated project costs include contingencies between 6 – 15% on various aspects. The construction costs will be fixed at award of contract, with the risk of inflationary increases transferred to the contractor. The Major Projects Team are committed to seeking efficiencies and will undertake value engineering on the construction and public realm elements to reduce costs where possible, however, the majority of cost risk is surrounding the acquisitions required to deliver the scheme and final costs are still to be negotiated or may depend on the outcome of a CPO process. If project costs increase further, other sources of funding will need to be secured. A further bid may be made to the Council's Investment and Modernisation Fund if the project cannot continue without additional funding and the income from the scheme is enough to meet the requirements of the fund.
- 11.5 There will be ongoing revenue costs ensuing from the project such as maintenance of new public realm and costs of holding assets which will need to be quantified following discussion with the relevant service area. In the first instance these revenue costs will need to be met from the income generated from the scheme.
- 11.6 The estimated rental income generated from the new building is set out in Appendix 1. The estimated income will need to be taken account of in future budget setting. There is a risk that if the building is unoccupied, the Council will still incur costs such as business rates and costs associated with holding an asset, such as security and maintenance costs, for which there is no budget.
- 11.7 Project expenditure or commitment to expenditure from Towns Fund grant should follow formal approval of the Summary Business Case by DLUHC. In 2021/22 DLUHC released an Early Payment representing 5% of the total funding offer to support early stage delivery of projects. A Key Decision was taken to accept the funding and add the amount to the capital programme (£1.24m for Doncaster Town Deal). The deployment of the Early Payment was delegated to the Director of Economy & Environment in consultation with

the Section 151 Officer and the Portfolio Holder for Housing and Business. Whilst some of this funding has been used to support capital development costs, a balance of around £1.05m is available which could support early stage delivery including PSCA costs and acquisitions ahead of DLUHC's formal approval of summary business cases. Costs may become abortive if DLUHC do not approve the business cases and the benefits of spend in advance of formal approval will need to be weighed up against the risks.

- 11.8 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.

HUMAN RESOURCES IMPLICATIONS [Officer Initials...KJ... Date 10.05.22]

- 12.1 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...05/05/22]

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

HEALTH IMPLICATIONS [Officer Initials.....CT.....Date9th May 2022]

- 14.1 Public Health supports the recommended options. Improving access to economic opportunities brings benefits to the town centre and the whole borough by improving connectivity to sites.
- 14.2 The improvements to the active travel network will provide further opportunities for people to travel without the need for a car, whether that is short journeys within the immediate vicinity or further afield by connecting safe active travel routes to public transport connections.
- 14.3 Inclusion of softer, greener public realm brings multiple benefits to the health and wellbeing of our residents. It allows good quality green space that is free and open to everyone. Green spaces in urban areas also mitigate the effects of pollution and can reduce the build-up of urban heat.

EQUALITY IMPLICATIONS [Officer Initials...SR... Date.....09.05.22]

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

CONSULTATION

- 16.1 Public Consultation exercises were conducted as part of the process of delivering the Doncaster TIP.
- 16.2 The shortlisting and selection of the final schemes included in the TIP and subject to the Town Deal funding offer was undertaken by the Doncaster Town Deal Board, composed of members from both the private and public sector.

BACKGROUND PAPERS

- 17.1 Cabinet Report 26th January 2021
'Doncaster and Stainforth Town Deals

18.

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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