



# Doncaster Council

## Report

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To the Chair and Members of the CABINET MEETING 20<sup>th</sup> July 2022

### Stainforth Town Deal – All projects

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

### EXECUTIVE SUMMARY

- 1.1 This report seeks approval to the Business Cases for the Stainforth Town Deal Projects, and seeks to delegate approval to the Director of Economy and Environment and the Director of Corporate Resources in consultation with the portfolio holder for Housing and Business to award future contract appointments relating to the delivery of the projects.
- 1.2 The Government Department for Levelling Up, Housing and Communities (DLUHC) released the Grant Offer Letter for the Stainforth Town Deal in December 2021, confirming £21.60m towards the Stainforth Town Deal Projects which included the following ten projects;

- (i) Restoration and lighting of Colliery Headstocks (£4.235m)
- (ii) Enabling Employment uses (£1.211m)
- (iii) New Country Park (£2.151m)
- (iv) New Station Footbridge (£3.080m)
- (v) Station access improvements (£4.166m)
- (vi) Public Realm Improvements (£1.235m)
- (vii) Activating Derelict Site (£0.552m)
- (viii) Safer Streets (£0.095m)
- (ix) New Community Hub (£3.134m)
- (x) East Lane Gateway (£1.740m)

## **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 Appendix 1 is not for publication because it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, as it contains exempt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 for the ten projects confirming the intention of Doncaster Council to secure a combined £21.60m Town Deals funding for Stainforth;
- (ii) accept the £21.60m Town Deal funding for use on the ten projects, subject to satisfactory review of the Summary Business Cases 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) approve the use of Council borrowing to fund £1.27m of the project costs in advance of receipt of S106 funds.

- (v) add the projects as detailed in the report to the relevant part of the Council's Capital Programme;
- (vi) note that, the S151 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 the ten projects;
- (vii) Delegate authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources and the portfolio holder for Housing and Business, to procure and award Contracts, in compliance with the Council's Contract Procedure Rules (CPR's), on the basis that decisions will not commit the Council to additional costs beyond the scheme affordability envelope
- (viii) Delegate authority to the Director of Economy and Environment and the S151 Officer, in consultation with the portfolio holder for Housing and Business, to submit project change requests where there are significant changes to the projects or projects cannot be progressed to delivery, on the basis that decisions will not commit the Council to additional costs beyond the scheme affordability envelope
- (ix) Delegate to the Director of Economy and Environment and Corporate Resources and the portfolio holder for Housing and Business, to accept and agree the terms for any match funding (external grant or private sector match) that can be secured to support the projects to deliver as outlined.
- (x) Delegate authority to the Director of Economy and Environment, in consultation with the Director of Corporate Resources, to award grants to outside bodies and enter into the necessary funding agreement with Network Rail who may deliver the project on behalf of the Council

## **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

- 4.1 The overarching aim of the Stainforth Town Deal is to help to increase economic growth with a focus on regeneration, improved transport, skills and culture.
- 4.2 The implementation of the projects will re-invigorate Stainforth through transformational change to the areas benefitting from the Town Deal investment. The delivery of a new greenspace and country park in Stainforth will improve the current opportunities related to wellbeing and leisure for residents and visitors. The Station projects will strengthen a key asset providing access to Hatfield and Stainforth railway station from Stainforth, a new footbridge and combined with a park and ride facility will improve access to employment opportunities. The new community hub will offer potential employment opportunities and wider economic benefits to the area.
- 4.3 Working closely with a range of stakeholders, the ten projects have been

identified to deliver against a range of Stainforths needs in terms of providing better access for residents to employment, improving the town centre, creating safer streets, providing green space for healthy living and restoring headstocks.

- 4.4 The key benefits of the projects, as outlined in the Project Business Cases are as follows;
- Active travel benefits
  - Employment benefits
  - Crime reduction
  - Improved Health and Well-being
  - Direct land value uplift

## **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 Stainforth Town Deal board (STDB), consultation with key stakeholders and members of the public, the Town Investment Plan (TIP) for Stainforth was submitted to MHCLG in January 2021. The TIP effectively contained the 'bid' for Towns Deal £25m funding with the selection of projects prioritised by the STDB after feedback from public consultation.
- 5.3 Following submission of the TIP, MHCLG released the Heads of Terms (HoT) for Stainforth with a funding envelope of £21.60m. The HoT contained the provisional 'offer' to Stainforth, including constraints, conditions and expected outcomes/outputs. The Heads of Terms were accepted by Stainforth Town Deal Board and returned to MHCLG on 5th August 2021.
- 5.4 The next stage was for Stainforth Town Deal Board to confirm which projects would be taken through to full business case development. Stainforth Town Deal project confirmation documentation was submitted to DLUHC on 5<sup>th</sup> October 2021.
- 5.5 Following review of the project confirmation documentation, DLUHC released the Grant Offer Letter for the Stainforth Town Deal on 3<sup>rd</sup> December 2021 for a total £21.60m allocated to the projects.
- 5.6 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 Project Summary Business Cases will be submitted by 5<sup>th</sup> August 2022.

5.7 The Grant Offer Letter contained the following detail and conditions:

- a) DLUHC agreed to allocate funding up to £21.60million 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.

In addition to outputs and outcomes, the following projects have conditions attached:

Restoration and lighting of the Colliery Headstocks:

- Provide confirmation of match funding status, with analysis of project risks if match funding cannot be secured;
- Provide estimated quantities for stated outcomes such as visitor numbers and jobs created.

Public Realm Improvements:

- Provide evidence of business support for contributing to the shop front grant scheme;
- Provide a more detailed delivery plan for the shop front grant scheme that covers risks, interdependencies and mitigation measures;
- Provide further analysis of costings, including a breakdown of costs for each element of the project.

## **The Projects**

5.8 Major Projects have been working with external partners ARUP and AECOM to develop the full business cases, Network Rail for the station improvement projects, Willmott Dixon for initial feasibility work and internal partners to undertake feasibility and design work and costings.

- 5.9 In order to progress the projects in line with the overarching project delivery programme, the Council has engaged with ARUP, AECOM, Willmott Dixon and Network Rail. When the projects progress to the next stage to develop the schemes, procurement will be carried out in compliance with the Council's Contract Procedure Rules (CPR's).
- 5.10 The completed Summary Business Cases attached as Appendix A to this report have been produced for submission to DLUHC as per the terms of the Grant Offer letter.
- 5.11 The Stainforth 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 £21,600,000 Town Deal funding.

### **Headstocks Park**

- 5.12 The Headstocks Park vision is a combination of the Restoration and lighting of the colliery Headstocks, Enabling Employment use and Country Park projects. The town fund is an opportunity to kick-start the regeneration of this key historic area in Stainforth and act as a catalyst to further development in the headstocks area.
- 5.13 The aspiration is to rejuvenate the former colliery site whilst acknowledging the historic and heritage aspect of the headstocks making them a feature for the area. The main outputs of these projects include:
- remediating two listed headstocks;
  - 2.76 acres of derelict land developed;
  - new public space delivered.

Wider outcomes include the improved, enhanced perception of place and increased health and well-being for residents.

- 5.14 Restoration and lighting of Colliery Headstocks (£4.235M):

Both headstocks are in a poor condition and significant investment is required to restore them. This project will focus on moderate remediation of the two listed headstocks to address the poor condition and make them safe and provide bespoke lighting features to illuminate them creating a focal point. The project also includes the removal of asbestos and lead paint in the wheelhouse and powerhouses to make them safe.

In addition to the Town Deal grant of £4.234m there is match funding required. At this stage the bid for £2.0m match funding from the Heritage Lottery Fund for the headstocks remediation will not be submitted. The project will be value engineered to ensure the Town Deal funding outputs are achieved. The asbestos and lead paint removal work will not be undertaken as the priority is to make the headstocks safe.

- 5.15 Enabling Employment uses (£1.211m)

This project will provide the new access road on the pithead site and statutory services, which will enable new employment space for start-ups and SMEs. Delivered in tandem with the proposed new community hub with its skills programme and employment support, this co-ordinated approach offers additionality to capitalise on the appetite for start-ups in the wider Doncaster area and secure improved prospects for the residents of Stainforth.

#### 5.16 New Country Park (£2.151m)

The new country park will provide new open green space and pathways on the former colliery site land to the north of headstocks. It will help to integrate the town with the Unity proposals, improving health outcomes and forming part of the active travel network that will connect Unity Life with Stainforth. The town fund grant allocation for the new country park will provide the foundation of the longer term country park vision and will support the objectives of improved wellbeing and connection to nature.

### **Station Gateway**

5.17 The Station Gateway scheme is key for the development of Hatfield and Stainforth railway station, delivering the new footbridge and access improvements for the people of Stainforth. Combined they will create the transformational change to strengthen a key asset in Stainforth. The main outputs for the Station Gateway include:

- an upgraded station;
- new pedestrian connection.

#### 5.18 New Station Footbridge (£3.080m)

The new station footbridge will connect to Waggons Way connecting the station to Stainforth, including the Town Centre Hub and the Headstock Park projects. On the southern side, the bridge will connect to the existing station approach, which will be integrated with Unity town in the future.

#### 5.19 Station access improvements (£4.166m)

This project provides two key elements; access to the station and connectivity with Stainforth and the new development Unity Town which when developed will provide retail, schools, housing.

The new station forecourt and access to the station from Waggons Way will improve access and safety. The improvements will provide a high quality arrival experience as a gateway to the town and provide linkages between different elements of the Station Gateway. The project also includes a new park and ride facility designed to Park Mark standard to encourage use of sustainable travel, reduce the length of journey made by car for residents of Stainforth and the surrounding areas. Works include new bus stop provision, drop off, and pick up provision for private cars and taxis.

5.20 The addition of the park and ride on Waggons Way will improve car parking

provision at the railway station and potentially an increase in the number of rail passengers, with additional improvements to the wider public realm and connectivity to pedestrian and cycle routes.

- 5.21 The Station Gateway is primarily delivered on Network Rail property. The improvements made to the station will be adopted by Network Rail and will then be part of the ongoing maintenance for the Train Operator, which is currently Northern Trains. The works for this is intended to be carried out by Network Rail through their procurement procedures which not only makes the approval process less onerous but also negates any warranty issues when transferring to them upon completion.

### **Town Centre Hub**

- 5.22 The Town Centre Hub scheme incorporates the Public Realm Improvements, Activating derelict site and Safer Streets projects to provide an improved public realm to the key town centre, land value uplift and a safer environment for the residents of Stainforth.

- 5.23 The Town Centre Hub outputs include:

- delivery of 5,772 m2 public realm work with potential land uplift value of 10%,
- green space in key location in the town centre
- Installation of CCTV cameras in key locations to provide a safer environment.

- 5.24 Public Realm Improvements (incl shop front improvement scheme) (£1.235m)

This project will contribute to consolidating the town centre by improving the public realm in the main shopping area. Works will include new paving, lighting, CCTV, to provide an improved and more attractive retail area creating the uplift to ensure sustainability when Unity Town development is delivered.

Businesses inside the public realm boundary will be offered grant funding to improve shop frontages, which will include repainting, repairs and signage. Improving the environment will allow existing businesses to grow, encourage new enterprise and support regeneration.

The HoT has a match fund contribution of £0.046m from business owners towards the grant offer for shop front improvements. Engagement with businesses has shown whilst there is support for the shop front improvement scheme, there is no appetite for contributions due to the recent Covid pandemic and impact on businesses. The shop front improvements will be delivered within the Town Deal funding allocation.

- 5.25 Activating Derelict Site (£0.552m)

Following Stainforth Town Deal Board reprioritisation exercise to meet the Town Deal funding envelope of £21,600,000, this project was revised down and will now to deliver a green space in the town centre hub for use by



residents and visitors to Stainforth.

This site has recently been sold and the proposal is not to progress with this project. We have submitted a change request with the proposal to transfer this Town Fund grant allocation to the New Community Hub project and the Safer Streets project.

#### 5.26 Safer Streets (£0.095M)

Safer Streets will provide a new CCTV network in key locations across Stainforth creating a safer and more attractive environment for residents, deterring crime and anti-social behaviour. The CCTV network includes Station Road, Church Road, Field Road, Princess Avenue and will provide CCTV coverage to the railway station.

5.27 The Town Deal grant covers the CCTV cameras only and there will be additional costs associated with new lighting columns needed to structurally support the CCTV cameras. A number of funding options are being explored to fund this, potentially including the costs within the scope of the Public Realm project and funding allocation.

5.28 The Safer Streets project was taken to Technology Governance Board (TGB) meeting on 9<sup>th</sup> May 2022 and approval was given for the installation of CCTV, subject to Cabinet approval.

### **New Community Hub**

#### 5.29 New Community Hub (£3.134m)

The new community hub will bring forward Stainforth Town Council and Stainforth for All's (S4ALL) aspiration for a new hub providing skills for employment, self-employment and digital skills. Supporting skills development and access to employment the new hub will enable greater self-employment and enterprise through targeted programmes securing improved prospects for the residents of Stainforth.

5.30 New Community Hub will provide a bespoke centre for the benefit of the Stainforth community with outcomes including skills facilities, digital access for residents. The outputs are:

- New skills facilities
- New employment opportunities
- Increased access to digital services

5.31 The TIP refers to the Miners Welfare Grounds as the approved site for the new community hub. S4ALL have identified an alternative preferred site to the rear of Hatfield Main Working Club. This site is owned by Waystones who have agreed in principle to gift the land required for the new community hub, subject to being deliverable on the site. This is derelict landlocked land with access from the new East Lane link road.

5.32 A workshop was carried out with Stainforth Town Deal Board members and

there was overwhelming support for this new location, subject to it being within the funding envelope. This preferred location is subject to ratification by Stainforth Town Deal Board. Initial costs for the provision of the new community hub at this location is expected in early July.

- 5.33 In advance of Town Deal funding, S4ALL secured match funding of £0.600m from a number of grant funding providers with delivery milestones and conditions attached. Sport England grant funding of £0.150m has been removed due to Sport England delivery milestones not being met, reducing the match funding to £0.450m. Major Projects are working with S4ALL funding providers to ensure the grant funding remains secured.
- 5.34 If the Derelict Land Use change request is agreed by DLUHC, the repurposed grant funding will contribute towards the loss of Sport England match funding and delivery costs for the new community hub at the alternative location
- 5.35 The TIP refers to Stainforth Town Council owning the new community hub and S4ALL entering into a long lease agreement on the Miners Welfare Ground site. If the new site is agreed by the Town Deal Board the ownership and liabilities for the ongoing maintenance will be transferred to S4All with a covenant to retain the building as a community building.

### **East Lane Gateway**

- 5.35 East Lane Gateway (£1.740M)

This new link road will connect East Lane to the new Unity Way Road, providing a new gateway to Stainforth, better access to opportunities for residents, reducing journey times and access to the Headstocks Park and the new Station Gateway.

- 5.36 The outputs are:
- 1 new road, 440m in length
  - reduction of approximately 5 minutes journey time to access the new link road.
- 5.37 The Economic Benefits of the projects will be calculated in the Economic Business Case which will form part of the Full Business Cases for the five themes and includes indirect land value uplift, Active Travel Benefits, Employment Benefits and Crime Reduction.
- 5.38 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.
- 5.39 The submission of the Summary Business Cases will enable further drawdown of the Town Deal grant funding, subject to review and approval by DLUHC.

### **OPTIONS CONSIDERED**

- 6.1 The following options have been identified for each of the recommended

actions:

## 6.2 Summary Business Case Submission

**Do not submit Project Summary Business Cases to DLUHC for the ten projects.**

The inclusion of Stainforth 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 Stainforth and the identified key social and economic benefits that the Towns Deal could deliver.

**This is not the recommended option.**

- (i) **Submit Project Summary Business Cases to DLUHC for the ten projects by 5<sup>th</sup> August 2022:**

Submission of the ten project summary business cases will conclude the Council's bid to secure £21.60m Town Deal Grant Investment towards the delivery of the identified Stainforth Projects. **This is the RECOMMENDED OPTION**


## REASONS FOR RECOMMENDED OPTION

### 7.1 Summary Business Case Submission

- (i) The Stainforth Towns Deal projects provide an exciting opportunity for Stainforth to benefit from significant regeneration of the key areas as identified in the TIP. 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 Board. The approval and submission of the Summary Business Cases for Stainforth projects will lead to significant transformation and act as a catalyst for potential future redevelopment.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

8.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – negative overall	Neutral or No implications
 Tackling Climate Change	✓			

Community Hub building will be designed as an energy efficiently as possible  
Country Park will help develop green space for Stainforth and the wider community



**Developing the skills to thrive in life and in work**



- Increases opportunities for Stainforth residents to travel by train to access employment.
- Improves shop frontage supporting businesses to flourish.
- Supports the wider regeneration of Stainforth town hub following the economic shock of Covid-19 and previous observed town centre trends
- Community Hub is looking to provide childcare facilities supporting parents being able to start/continue working



**Making Doncaster the best place to do business and create good jobs**



Investment in Stainforth will help to provide regeneration opportunities in the existing settlement but also with the new developments in and around Unity



**Building opportunities for healthier, happier and longer lives for all**



**Creating safer, stronger, greener and cleaner communities where everyone belongs**





- Country Park will provide green spaces
- Public Realm will create a welcoming environment along the High Street
- East Lane connection will provide a key Gateway into Stainforth from the new link road with Motorway Network
- Railway Station will have an access onto Waggon Way providing the community with easy access to public transport connections
- Safer Streets project will provide significant CCTV coverage for Stainforth to help reduce crime in the area



**Nurturing a child and family-friendly borough**



<ul style="list-style-type: none"> <li>Community Hib project is looking to provide space for childcare facilities as part of the overall offer</li> </ul>				
 <b>Building Transport and digital connections fit for the future</b>		✓		
 <b>Promoting the borough and its cultural, sporting, and heritage opportunities</b>		✓		
<ul style="list-style-type: none"> <li>The headstocks park will build on the heritage of Stainforth and will provide green space for the community to enjoy.</li> <li>The new station gateway will encourage people to use public transport and feel safe and welcome.</li> <li>The sense of 'arrival' at the town centre hub raises the aspiration for the community and increased perception of the town as a great place to visit and of which to be rightly proud.</li> </ul>				
<b>Fair &amp; Inclusive</b>				

## RISKS AND ASSUMPTIONS

- 9.1 The project cost estimates are subject to tender 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. Costs exceeding identified budget sums to carry out the projects may result in redefining the projects downwards or not completing projects.
- 9.2 The allocated combined budget from the Town Deal funding for the projects is £21,600,000 based on estimated costs calculated in 2020 for submission of the Town Investment Plan (TIP).

- 9.3 Definitive project costs are not available at this time however, the projects will be developed based on the funding submission in the TIP and grant awarded in the Heads of Terms. Project delivery will be based on the Town Deal funding envelope and match funding if secured. The TIP included an additional match funding of £3.565m, some of which had not been secured. If project costs exceed this grant allocation and match funding (where match funding is not secured or lost due to funders timescales for delivery not met) the projects will be value engineered to meet the funding envelope.
- 9.4 The projects will be delivered over a four-year programme and it is difficult to be definitive on the costs due to inflationary increases and unknown ground condition risks. However, focus will be on delivery within the funding envelope with value engineering applied where necessary. Where costs cannot be controlled in this manner then there would need to be a re-prioritisation of the projects to deliver within the funding available in the Towns Deal Fund.
- 9.5 There are three S106 contributions associated with the Station Footbridge and Station Access and Park and Ride projects with a combined total of £1.267m. Until the S106 trigger points are reached the council would need to fund the equivalent costs. The Town Deal outputs of replacing the footbridge and improving access to the station cannot be delivered in sections and it would be inefficient to deliver elements at a later date. The TIP refers to using Council borrowing to cover the S106 contributions until such time the trigger points are reached. Approval is required to borrow to cover these S106 contributions in advance of the trigger points being met. Without approval the loss of this match funding will impact on the delivery of the Station Gateway projects.
- 9.6 The process has begun to establish a Stainforth Neighbourhood Plan. The plan includes the Stainforth Neighbourhood Development Order (NDO) which is focussed around the former colliery site. Whilst the proposals in the NDO are in line with the Stainforth Towns Deal projects, the area of the NDO is much wider than the Towns Deal and may restrict development opportunities. This may impact on the land availability for a number of projects where land is currently being offered as a contribution which may result in them not being delivered
- 9.7 Ownership of the new community hub, country park and headstocks following completion has not been confirmed. The aim is to have these assets owned by Stainforth Town Council and leased to relevant community groups or owned by relevant community groups. However, should this not be achieved, there is a risk that asset ownership will revert to the council with associated costs for ongoing maintenance and security of these assets reverting to the council. Should the assets revert the Council, a further decision will need to be taken once the Council had a full understanding of the costs and liabilities.
- 9.8 As with all new infrastructure, green and open spaces there will be an increase in the call on the future routine maintenance and replacement

budgets, therefore the council will need to ensure there is sufficient revenue and whole life replacement resources in place to maintain the assets for their lifetime, for which there is no funding currently set aside. This may also include the new Community Hub, Country Park and Headstocks, should they enter into council ownership following completion of those projects.

- 9.9 Changes to the ten projects agreed in principle by DLUHC will require a change request. There is no guarantee the changes will be accepted by DLUHC and could result in loss of funding for that project reducing the overall Town Deal grant.
- 9.10 Match funding from the Heritage Lottery Fund for the headstocks remediation is not being sought and the loss of Sport England match funding means that the level of match funding will have significantly dropped since the TIP submission. This could impact the assessments made by DLUHC on the summary business case submissions..

#### **LEGAL IMPLICATIONS [Officer Initials NJD Date...16<sup>th</sup> June 2022..]**

- 10.1 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.
- 10.2 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.

- 10.3 Once the Council has submitted their Stainforth 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.
- 10.4 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
- 10.5 The Council will procure and award various contract to deliver the Stainforth Towns Deal projects. The procurement for these contracts must be carried out in accordance with the Public Contracts Regulations 2015 and the Councils Contract Procedure Rules.
- 10.6 Should the Council secure additional match funding, further legal advice will be provided.
- 10.7 Prior to the making the decision to award grants to outside bodies, a subsidy analysis will be undertaken. Legal will advise and prepare the associated grant agreements in compliance with the Councils financial procedure rules.
- 10.8 The combined s106 contributions of £1.267m is to be drawn from the s106 agreement for the Unity development, planning permission for which was granted under reference 15/01300/OUTA. The s106 Agreement provides that the contributions shall be paid and used as follows:
- Pedestrian Footbridge Improvement Contribution – £150k payable to the Council prior to the occupation of the 1,608th dwelling, for the provision of a new or improved pedestrian crossing of the railway line;
  - Park and Ride Contribution - £198k payable to the Council prior to the occupation of the 1,608th dwelling, for the provision of a marked or fully serviced car park facilitating an operational park and ride service adjacent to the pedestrian access to the railway station serving Hatfield and Stainforth;
  - Rail Station Improvement Contribution - £919k payable to the Council prior to the occupation of the 2,000th dwelling, for the improvement of rail passenger facilities as the Council may deem necessary following receipt of the Rail Station Improvement Contribution.
- 10.9 The specified purposes for use of the contributions set out in the s106 Agreement broadly align with their intended uses for the town deal projects, however it should be noted that the triggers for payment are some considerable way off and occur late in the development.
- 10:10 As set out in the report, the Council will borrow £1.27m of the project costs in advance of receipt of S106 funds. Section 1 of the Local Government Act 2003 gives the Council the power to borrow money for any purpose relevant



to its functions under any enactment or for the purposes of the prudent management of its financial affairs.

10.11 The decision maker must be aware of their obligations under section 149 Equality Act 2010, the Public Sector Equality Duty (PSED). It obliges public authorities, when exercising their functions, to have 'due regard' to the need to:

- a. Eliminate discrimination, harassment and victimization and other conduct which the Act prohibits;
- b. Advance equality of opportunity; and
- c. Foster good relations between people who share relevant protected characteristics and those who do not.

10.12 The relevant protected characteristics under the Equality Act are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships, but only in respect of eliminating unlawful discrimination. The decision maker must ensure that they have seen the equality impact assessment/ due regard statement. The duty must be exercised in substance, with rigour, and with an open mind and is not a question of ticking boxes. It is for the decision-maker to decide how much weight should be given to the various factors informing the decision, including how much weight should be given to the PSED itself. The duty is a continuing one and there should be a record/audit trail of how due regard has been shown. It is not sufficient for due regard to be a "rear-guard action" following a concluded decision. The decision maker must also pay regard to any countervailing factors and decide the weight to be given to these, which it is proper and reasonable to consider; budgetary pressures, economics and practical factors will often be important.

10.13 Further legal advice and assistance will be given as the Stainforth Towns Deal projects progress.

## **FINANCIAL IMPLICATIONS [CA..... Date.....20.06.22.....]**

11.1 A total of up to £21.6m Towns Fund grant funding from DLUHC for Stainforth 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.

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-ring fenced 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 funding profile is set out below:

Project:	Towns Fund Grant					Other Funding		
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total TF grant £'000	S106 (borrowing) £'000	Other Match (TBC) £'000	Provisional Scheme Value £'000
Restoration and lighting of Colliery Headstocks	573.40	1,201.60	1,980.00	479.94	4,234.94			4,234.94
Enabling employment uses	55.00	550.00	606.19	0.00	1,211.19			1,211.19
New country park	168.40	533.37	1,450.00	0.00	2,151.77			2,151.77
New station footbridge	245.00	1,400.00	1,435.86	0.00	3,080.86	150.00		3,230.86
Station access improvements	215.00	1,280.00	1,280.00	1,390.87	4,165.87	1,117.00		5,282.87
Public realm improvements	75.00	1,159.68	0.00	0.00	1,234.68		46.00	1,280.68
Activating derelict site	315.00	237.00	0.00	0.00	552.00			552.00
Community hub building	235.00	750.00	1,088.68	1,060.00	3,133.68		450.00	3,583.68
East Lane Gateway	95.00	914.70	730.00	0.00	1,739.70			1,739.70
Safer streets	31.60	63.70	0.00	0.00	95.30			95.30
<b>Total</b>	<b>2,008.40</b>	<b>8,090.05</b>	<b>8,570.74</b>	<b>2,930.81</b>	<b>21,600.00</b>	<b>1,267.00</b>	<b>496.00</b>	<b>23,363.00</b>

11.4 The above schemes will be added to the relevant parts of the Council's capital programme. As the projects are further developed and match funding contributions are confirmed, these will also be added to the relevant scheme in the capital programme. If match funding cannot be secured, DLUHC will need to be made aware and a project change request will be required for approval to progress with a reduced or varied project scope in order to deliver within the funding available. There is no guarantee that project change requests will be accepted.

11.5 Detailed costing are expected in July from various sources as outlined in the report. Estimates will need to include sufficient contingency for inflationary increases and other unknowns such as adverse ground conditions to the extent these cannot be accurately estimated prior to tender. The Major Projects Team are committed to seeking efficiencies and will undertake value engineering, however, final costs will be subject to tender and project change requests will need to be submitted to DLUHC if projects have to be re-scoped and reduced to meet the funding envelope.

- 11.6 There will be ongoing revenue costs from the project such as maintenance of new public realm which will need to be quantified following discussion with the relevant service area and factored in to future budget setting.
- 11.7 In some cases the ownership of newly created and existing assets is still to be determined. The costs relating to the ongoing maintenance and security of assets could be significant, particularly in the case of the Headstocks. There is no budget set aside for ongoing costs, including for operating the CCTV therefore these costs will need to be met from other organisations within the locality.
- 11.8 It is proposed to use Council borrowing in advance of receiving S106 contributions to the value of £1.27m. For illustrative purposes, the cost of borrowing £1.27m would range between £0.096m and £0.157m per annum based on borrowing from PWLB at 2.59% over 20 years or 2.36% over 10 years respectively. In reality the S106 contributions may be received over a different timeframe and there is a risk that the contributions will not be received at the level anticipated. If approved, the cost of borrowing will need to be factored in to future budget setting.
- 11.9 The Shop Fronts scheme may involve grants to outside bodies. 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).
- 11.10 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 (£1.08m for Stainforth 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. 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.
- 11.11 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 16/06/2022]**

12. There are no direct HR Imps in relation to this report, but if in future staff are affected or additional specialist resources are required then further consultation will need to take place with HR.

## **TECHNOLOGY IMPLICATIONS [Officer Initials...PW..... Date...16/06/22]**

13. The Safer Streets project was taken to Technology Governance Board (TGB) on 9th May 2022 and approval was given for the installation of CCTV, subject to Cabinet approval. Digital & ICT have been fully involved in the discussions to date with the Council's CCTV team and external suppliers in relation to the requirements and proposed solution for this scheme. It is assumed that there are no requirements from Digital & ICT in relation to the new Community Hub or other projects outlined in this report.

## **HEALTH IMPLICATIONS [Officer Initials ...CT..Date ...13.06.22]**

- 14.1 Public Health supports the option to submit Project Summary Business Cases to DLUHC for the ten projects by 5<sup>th</sup> August 2022. Stainforth is the 7th most deprived community in Doncaster and this is reflected in the poor health outcomes experienced by much of the community as well as high rates of unemployment and low income households.
- 14.2 The Stainforth Town Deal investment will allow economic growth with a focus on regeneration, improved transport links, skills and culture. This investment alongside the development of Unity will equip the town to attract quality employment opportunities creating a strong local economy, bring people together and improve the quality of life and living standards.

## **EQUALITY IMPLICATIONS [Officer Initials SG..... Date...21/05/2022.]**

- 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 Stainforth 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 Stainforth Town Deal Board, composed of members from both the private and public sector.
- 16.3 consultation and engagement meetings were held with Miners Heritage Trust representatives, Historic England, S4ALL, ward members and Stainforth Town Council.

## BACKGROUND PAPERS

17.1 Cabinet Report 26<sup>th</sup> January 2021- 'Doncaster and Stainforth Town Deals'

## GLOSSARY OF ACRONYMS AND ABBREVIATIONS

DLUHC	Department for Levelling Up, Housing and Communities
FBC	Full Business Case
HoT	Heads of Terms
MHCLG	Ministry of Housing, Communities and Local Government
NDO	Neighbourhood Development Order
NDP	Neighbourhood Development Plan
SBC	Summary Business Case
TIP	Town Investment Plan

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