

## **Infrastructure Projects and Funding for Feasibility Studies**

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### **Purpose of report**

1. This report recommends delegating financial control and decision-making from the District Executive Committee to the Strategic Regeneration Board for project prioritisation, and delivery, and the setting aside of funding for feasibility work to progress new 'Investing in Infrastructure' projects.

### **Public Interest**

2. The council are committed to investing in infrastructure where it will assist in the delivery of the corporate priorities of 'Jobs' and 'Homes'. This report is concerned with streamlining the process that leads to the allocation of funds for projects and the creation of a feasibility 'pot' to help work projects up to a point where a full business case can be developed.

### **Recommendations**

3. The District Executive is recommended to:
  - I. Delegate to the Strategic Regeneration Board the re-prioritisation, as and when required, of the 'Investing in Infrastructure' programme of projects originally agreed by District Executive Committee, using the criteria approved by District Executive.
  - II. Delegate the spend of the remaining Infrastructure Reserve to the Portfolio Holder for Environment and Economic Development in consultation with the Strategic Regeneration Board, with £150,000 allocated to area schemes including £50,000 to the 'Yeovil Refresh'.
  - III. Approve the application form set out in Appendix 1 as the basis for allocation of feasibility funding.

### **Background**

4. On 1<sup>st</sup> November 2012 the District Executive Committee agreed that, in accord with the Government's recent White Paper on Growth, a notional £8m should be set aside in the Council's Medium Term Financial Plan to facilitate or 'pump prime' infrastructure to ensure growth in the district. It further agreed that the Economic Development (ED) Services would begin the process of appraising and evaluating potential sites for economic development within the District to feed in to potential future Council capital programmes. £1m has subsequently been allocated in the MTFP as an 'Infrastructure Reserve' for technical work to enable projects to proceed.

5. The 'Investing in Infrastructure' project list was compiled and prioritised by Members at two member workshops and ratified by the District Executive Committee in October 2014, and £100,000 ring fenced for technical work to support approved projects.
6. A small part of the £1m allocated funding has been used for to develop business cases for the Chard Regeneration scheme Link Road, and Yeovil Market Street to support Growth Deal Bids. The Innovation Centre business case has been developed internally, and required no feasibility funding. A capital bid for the Innovation Centre phase 2 for £1.4 million were approved in February 2016 with a further £0.4 million expected to be confirmed through LEP external funding.

### **Project Prioritisation**

7. Recently the Strategic Regeneration Board and the Area Boards have been formulated and met. Members of the boards have considered the original schemes and re-prioritised them. They have also suggested and brought forward a number potential projects that warrant further consideration In order to speed up processes.
8. Since 2014 it has become clear that the status and deliverability of several projects has changed and it is the view of the Strategic Regeneration Board that a review of these projects should take place on a regular basis. The Board have suggested that this review and reprioritisation of projects to be delegated to them with a greater focus on their deliverability.

### **Feasibility Studies**

9. In addition to the ten priority projects, the Strategic Regeneration Board has considered a range of regeneration ideas at an early stage of development from the Areas. Some of these have the potential to evolve into viable schemes but will require feasibility work.
10. It is proposed that a sum of £150,000 is allocated to enable selected feasibility studies to proceed. It is further suggested that the remaining Infrastructure Reserve is delegated to the Portfolio Holder for Economy and Environment in consultation with the Strategic Regeneration Board and the Assistant Director – Economy.
11. An application form using the criteria in the form is attached at Appendix 1. This will be considered by the ED team and required internal officers as required.

### **Approval Process for Feasibility Studies**

12. The Application for Feasibility Study Funding for Potential ED Projects form must be completed by Area Officers (Appendix 1). Area Officers will liaise with corporate ED to ensure the application has the required content.
13. The application is presented by the Area Chair at the Area Regeneration Board for their consideration. If endorsed by the Area Regeneration Board, the application for funding will then be presented to the Strategic Regeneration Board.
14. Once funding has been approved, feasibility studies should be completed within three months. Feasibility studies should be worked up in liaison with the corporate ED team, albeit with the majority of the work conducted by the project's lead officer/s. External commissioning of work will be undertaken by the Corporate ED team.

### **Yeovil Vision UDF Refresh**

15. The Area South Regeneration Board and the Regeneration Board have agreed that in order to progress priority projects relating to Yeovil town centre it is critical that a targeted piece of work is undertaken focussing on the key regeneration sites. The 'Yeovil Town Centre Refresh' will cover the necessary preparatory work on key sites including master planning, highways and viability assessments. The process will engage with major stakeholders in its preparation. A draft brief has been prepared and officer group assembled to progress the project (Appendix 2). Extra capacity will be required by way of a consultant team. A sum of £50,000 will be required to complete the work.

### Terms of Reference

16. The revised terms of reference for the Strategic Regeneration Board will be revised to reflect the above changes.

### Financial implications

17. Currently there is a balance of £961,741 in the Infrastructure Reserve. A further commitment for the Highways Officer requires £105,545 which reduces the total to £856,196.

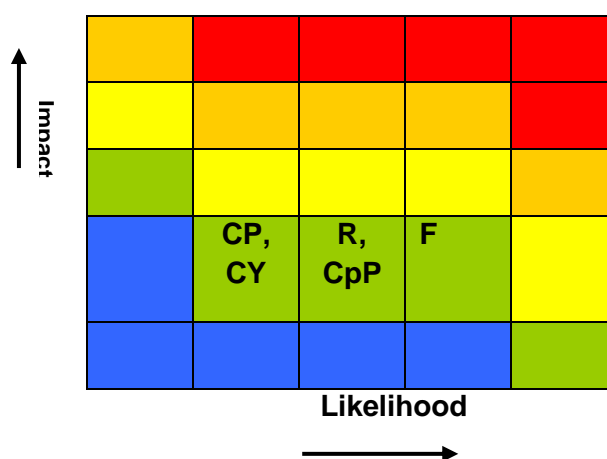
18. £100,000 has already been ring-fenced and delegated to the Assistant Director – Economy for technical support in developing business cases for the ten 'Investing in Infrastructure' project list leaving a remaining balance of £756,196.

19. It is recommended that this sum is delegated to the Portfolio Holder for Environment and Economic Development in consultation with the Strategic Regeneration Board. Of this sum £150,000 will be set aside for feasibility studies put forward from the Area Regeneration Boards and specifically £50,000 for the Yeovil Town Centre Refresh. Spend will be reported to District Executive quarterly as part of the budget monitoring process.

### Risk Matrix

RISK	CONSEQUENCE	RISK STATUS	CONTROL	RISK STATUS
Feasibility study commissioned for unsuitable projects	Funding is allocated to inappropriate, unviable or undeliverable projects	Medium	A clear set of criteria for feasibility funding and a robust governance process for the approval of applications.	Low
Infrastructure projects are re-prioritised incorrectly	Investing in infrastructure funds are spent on the wrong project.  Projects do not progress.	Medium	Projects re-scored quarterly using agreed scoring criteria and approved by Strategic Regeneration Board	Low
Poorly designed feasibility studies	Funds are wasted that could otherwise have		A strict criteria for funding applications is applied and decisions	

are funded	been better directed. Ill-informed decision making	<b>Medium</b>	on funding agreed by Area and Strategic Regeneration Boards	<b>Low</b>
Allocated feasibility funds are spent poorly by project lead/s	Poor value-for-money. Feasibility questions remain unanswered.	<b>Medium</b>	Project lead's work closely with corporate ED team to commission external works.	<b>Low</b>



**Key**

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

**Corporate Policy Implications**

- 20. The report will enable the District Council to meet several of the aims outlined within the SSDC Council Plan 2016 – 2019.
- 21. It will also enable the Council to meet specific objectives within the SSDC Economic Development Strategy.

**Carbon Emissions and Climate Change Implications**

- 22. There are no implications associated with this report

**Equality and Diversity Implications**

- 23. There are none directly associated with this report.

## Appendix 1 – Feasibility study funding application form

Applicants are advised to contact the ED team prior to completing this form and must liaise with them when developing their application.

<b>Application for Feasibility Study Funding for Potential ED Projects</b>	
Proposed ED Project	<i>Name of Project</i>
Request Initiated By	<i>Should be initiated by Area Chair</i>
Project Lead	<i>Name of Lead Officer here</i>
Project Team	<i>List of officers who will be involved</i>
Date	<i>Date of submission</i>
<b>1. ED Project Aim(s)</b>	
<i>The main aims and objectives of the project should be listed here.</i>	
<b>2. ED Project Background</b>	
<i>A brief explanation of the background and context of the project. Ideally no more than 200 words.</i>	
<b>3. Preliminary questions</b>	
What is the Indicative cost of the feasibility study	£
Has the principle of gaining planning permission for the project been established?	YES /NO /NA <i>If the project requires planning permission, then a view from Development Management must be sought.</i>
How does the ED project help meet SSDC corporate aims for 'Jobs' and 'Homes'	<i>Please list the aims and objectives in the current Council Plan that this project will help to meet.</i>
How much officer time will be required to assist with this feasibility study?	
Officer Title	Number of Hours
<b>4. Criteria specific questions</b>	
How many new jobs is the project likely to create?	
<i>Please enumerate the projected new jobs you would expect the project to create. If it is a long term project then please break the figures down by year. If the feasibility study will determine this then please confirm.</i>	
How many existing jobs is the project likely to safeguard?	
<i>Please do not include any jobs that the project creates in this calculation. Jobs safeguarded must already exist elsewhere in the local economy or supply chain.</i>	
Will the project increase local productivity?	
<i>What types of jobs are being created? Are they high value in terms of GVA?</i>	
Is the project deliverable in a short timeframe?	
<i>How soon can the project be delivered? If the feasibility study will help determine this, then please confirm.</i>	

Is there an evidenced need/demand for the ED project?

*What evidence do you have that there is clear demand for this project. Please keep your answer succinct. Use bullet points, or provide separate evidence.*

Can potential end-users for the ED project be identified?

*Enumerate or identify if possible. This document will remain confidential at this stage*

Could the project costs be recoverable, generate income or incur costs for SSDC?

*Please indicate how the costs of the project might be recovered. If the purpose of the study is to establish this then please confirm. If costs will not be recovered, can you justify the expenditure?*

Will the ED project deliver wider community benefits?

*Please list here*

What are the proposed sources of funding for the project?

*How will the capital and revenue costs of the project be met? If the purpose of the study is to establish this then please confirm.*

Where relevant, please provide details of any non-SSDC beneficiaries and what they stand to gain from the project.

*Please list here*

What is the Rationale for Feasibility Study?

*Please summarise why your project needs a feasibility study*

**Project Plan for the Feasibility Study**

*Please provide a brief breakdown of what your feasibility study needs to contain. Timescales and costs (incl. breakdowns of separate elements/commissions where relevant).*