

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 20 December 2024

Report Title

Templeborough Business Zone – Full Business Case approval and project implementation.

Is this a Key Decision and has it been included on the Forward Plan?

Yes

Strategic Director Approving Submission of the Report

Andrew Bramidge, Strategic Director Regeneration & Environment

Report Author(s)

Tanya Shvab, Project Manager, Regeneration

Ward(s) Affected

Boston Castle

Report Summary

This report with its accompanying Appendix 1 details the outputs of the Templeborough Business Zone project and seeks approval to enter into contractual agreements for its delivery.

The report also seeks to accept the South Yorkshire Mayoral Combined Authority (SYMCA) Gainshare funding for the Templeborough Business Zone scheme and to enter into a Grant Agreement with SYMCA.

Recommendations

For the Strategic Director for Regeneration and Environment, in consultation with the Council's S151 Officer and Cabinet Member for Jobs and the Local Economy:

1. To approve a Full Business Case (exempt Appendix 1) detailing the final Templeborough Business Zone project costs, timeframe and outcomes.
2. To approve signing of the legal agreements to enable the delivery of the Templeborough Business Zone project. The full legal document pack is comprised of the following agreements:
 - Funding Agreement between RMBC and Magna
 - Development Services Agreement between RMBC and Magna
 - Grant agreement (refurbishment works) between RMBC and Magna

- Guarantee between RMBC and Henry Boot Construction Ltd.
- NEC Collateral Warranty: Contractor / Sub-Contractor to Funder
- NEC Collateral Warranty: Contractor / Sub-Contractor to Tenant

3. To accept and enter into a Grant Agreement with the SYMCA for £1,779,297 of Gainshare grant funding for the Templeborough Business Zone scheme.

List of Appendices Included

Exempt Appendix 1	Full Business Case
Appendix 2	Equality Screening Assessment (part A)
Appendix 3	Equality Analysis Form (part B)
Appendix 4	Carbon Impact Assessment

Background Papers

[Cabinet Report: May 2022 Town Deal & Levelling Up Finding & Implementation](#) (the Cabinet – 16/05/2022, minute nr. 149)

[Cabinet Report: March 2024 Capital Projects Update](#) (the Cabinet – 18/03/2024, minute nr. 163)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No consideration by any other committee, scrutiny or advisory panel.

Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

An exemption is sought for Appendix 1 – ‘Full Business Case’ under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this contains sensitive commercial information with regards to commercial agreements which could disadvantage the Council in any negotiations if the information were to be made public.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the parties’ commercial interests could be prejudiced by disclosure of commercial information.

Templeborough Business Zone – Full Business Case approval and project implementation.

1. Background

- 1.1 In 2021 Rotherham Council was awarded £31.6m central government (Town Deal) funding, of which £6.6m was allocated to the creation of new managed workspaces, food and beverage units and improved public realm on the Magna Science and Adventure Centre site in Templeborough.
- 1.2 In 2023 Rotherham was one of ten authorities invited to take part in a Pathfinder pilot which combined Future High Streets Fund, Town Deal and Levelling Up funds into one aggregated allocation of funding with a delivery date of March 2026. The pilot allows local assurance of the programme implementation including the ability to move funding between projects, within a £5m 'material change' threshold.
- 1.3 As described in the March 2024 Cabinet report Procurement processes have been undertaken and a fully designed and costed scheme is now available, as detailed in the Full Business Case (FBC) at Appendix 1. This report seeks to implement the project through the signing of contractual agreements.
- 1.4 As described in the March 2024 Cabinet report, additional funding to deliver the Templeborough scheme was sought with the South Yorkshire Mayoral Combined Authority (SYMCA) devolved Gainshare budget identified as the source, subject to the SYMCA's approval process. SYMCA's approval process is now complete. This report seeks to implement the project through the acceptance of the SYMCA Gainshare grant funding.

2. Key Issues

2.1 Deliverables

- 2.1.1 Rotherham's Town Investment Plan identifies the Templeborough corridor as a centre for economic growth and innovation. The project, as defined in detail in the FBC at Appendix 1 will deliver 6 managed workspace units, 2 drive up food and beverage units and improved public realm all connecting to the new Tram/Train stop at the rear.
- 2.1.2 This report seeks approval of the Full Business Case and for the project to proceed in line with the details outlined therein.

2.2 Contractual Arrangements

- 2.2.1 The legal arrangements for the project are set out in the Full Business Case. The agreements to enable the delivery of the scheme, and that the Council will be a contract party to, are detailed further in this section. This report seeks approval to sign the legal agreements to enable the delivery of the scheme.

- 2.2.2 A Funding Agreement between RMBC and Magna sets out the terms and conditions for the use of the grant funding by the Recipient (Magna) for the delivery of the project.
- 2.2.3 Development Services Agreement between RMBC and Magna sets out the terms and conditions for the delivery of the building contract administration (i.e. project management) services by the Council (Building Design Team) to Magna as the Client to facilitate the delivery of the project.
- 2.2.4 Guarantee agreement between RMBC and the Contractor, Henry Boot Construction Ltd (HBC), sets out the Council's obligations as the Guarantor of payment by Magna to the Contractor for the works done and certified to date.
- 2.2.5 NEC Collateral Warranty from Contractor / Sub-Contractor to Funder, HBC warrants to the Council (as the third party beneficiary) that it has fulfilled its obligations under the primary building contract between HBC and Magna.
- 2.2.6 NEC Collateral Warranty from Contractor / Sub-Contractor to Tenant HBC warrants to Magna's tenant (as the third party beneficiary) that it has fulfilled its obligations under the primary building contract between HBC and Magna.
- 2.2.7 As part of the project deliverables Magna will undertake a full refurbishment of their offices. This work will be funded through the Pathfinder and this report seeks approval to sign a Grant Agreement (refurbishment works) to this effect. The Grant Agreement between RMBC and Magna for refurbishments works sets out the terms and conditions for the use of the grant by the Recipient (Magna).

2.3 **Funding**

- 2.3.1 The March 2024 Cabinet report detailed the final cost of the scheme, as set out at Appendix 1. While the Pathfinder funding will provide the majority of the budget, a funding gap was identified. This is to be funded through an additional contribution from the SYMCA Gainshare fund.
- 2.3.2 Following an appraisal of the Business Justification Case for the Templeborough scheme, the SYMCA Board met on 10/09/2024 and recommended delegated authority for the approval of this project. This delegated approval was secured on 16/09/2024, subject to the conditionality, which will form part of the Grant Agreement. Funding is not agreed unless and until a Grant Agreement is executed by both parties.
- 2.3.3 This report seeks the acceptance of SYMCA grant funding and entering into a Grant Agreement with the South Yorkshire Mayoral Combined Authority (SYMCA) for £1,779,297 of Gainshare grant funding for the Templeborough Business Zone scheme.

3. Options considered and recommended proposal

- 3.1 Option 1: do not proceed with the current scheme as detailed at Appendix 1 by signing the various contractual agreements outlined at 2.2. This would be contrary to the agreed Cabinet report and the Council's commitments within the Pathfinder programme. This option is therefore dismissed.
- 3.2 Option 2: would see the scheme delivered as the FBC at Appendix 1 and contracts signed accordingly. This scheme is fully funded and delivers on the Council's commitments within the Pathfinder programme and is therefore recommended.

4. Consultation on proposal

- 4.1 Early stakeholder engagement sought to define the areas for investment and was fed into the development of priority projects and the Rotherham Town Investment Plan 2021. Since the Town Deal (now Pathfinder) was offered, further development of plans took place with the input of local stakeholders.

The Town Deal Board retains oversight of all Pathfinder projects. The Board were integral to the development of the proposals and have been provided with regular updates throughout design development and the tender process over the last two years.

5. Timetable and Accountability for Implementing this Decision

- 5.1 All Legal agreements are agreed by the various parties and due to be signed in January 2025.
- 5.2 Subject to 5.1 works will commence on site in February 2025 with completion scheduled for February 2026.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of S151 Officer)

- 6.1 The exempt appendix 1, Full Business Case, provides the full financial detail on this project and this matches the Council's Capital Programme. This project is funded through a combination of Pathfinder funding £6,607,929 and £1,803,544 of SYMCA Gainshare funding. Approval is sought through this report for the Council to enter into a funding agreement with SYMCA in respect of £1,779,297 of this Gainshare funding that is not yet formally agreed between SYMCA and the Council.

In addition, approval is sought through this report for the Council to enter into a funding agreement with Magna. These arrangements set out the payment arrangements that will be established between the Council and Magna for funding claims from Magna to the Council for the expenditure incurred in the delivery of this project. Magna will deliver the project

through a construction contract established with Henry Boot Construction Ltd. The Council is providing development services to Magna through its Building Consultancy Service, for which the Council is receiving fee income.

6.2 There are no direct procurement implications arising from the recommendations detailed in this report.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 Both internal and external legal advice has been sought throughout this process, and both sets of advisers have been closely involved in this project. All advice has been accepted and implemented. There are no further legal implications raised by this report.

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources implications arising from the recommendations contained in this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are not considered to be any direct implications.

10. Equalities and Human Rights Advice and Implications

10.1 The project is not considered to create problems or barriers to any specific communities or groups. The local community generally consists of industrial businesses.

10.2 The project will bring new managed workspace into the town and although this will not deliver benefits to any specific group, marketing of the units must adhere to the principles of equity and equality and ensure all groups equally have the potential to benefit from the end product and any specific support requirements to establish a business in this location. The cumulative effect of this scheme, cycling routes scheme and SYMCA's tram/train and P&R scheme in this location aim at delivering overall improvement in the accessibility of this site.

11. Implications for CO2 Emissions and Climate Change

11.1 This project replaces old non-domestic buildings. Operation of the new buildings erected on site is anticipated to create a net decrease in emissions.

11.2 The addition of a series of new businesses may attract a larger number of vehicles on site. The site has however been chosen for its proximity to the new tram/train stop and cycle ways along Sheffield Road and a new accessible pathway will be created providing a safe and pleasant connection and encouraging the use of cycling and public transport.

11.3 The proposed scheme would include a significant amount of construction works that will have a direct impact on emissions. These include, travelling to site, operation of vehicles on site, operation of any other vehicles needed to construct/dig proposed components. The use of local power generation (generators), until permanent power is available, will likely affect emissions also.

12. Implications for Partners

12.1. Magna have been supportive of the Templeborough Business Zone project since its development as part of the Town Investment Plan in 2021. The new workspace and F&B units will be let and managed by Magna, supporting their business plan and their sustainability.

13. Risks and Mitigation

13.1 A full risk register is included with the FBC and top 5 risks identified within the FBC itself, the top two risks are highlighted below

13.1.1 Insufficiency of the budget contingency to cover costs during the project delivery. e.g. Compensation Events (CEs) due to unforeseeable events. Council contingency is factored in at standard 10%. Regular cost reporting, flagging CEs so that appropriate next steps can be discussed.

13.1.2 Lack of availability of internal resources to deliver projects and programmes. Develop realistic master programme to allow accurate planning. Regeneration and Building Design Team to recruit and appoint external consultants as necessary.

14. Accountable Officers

Lorna Vertigan, Head of Regeneration

Simon Moss, Assistant Director: Planning, Regeneration & Transport

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	20/12/24
Assistant Director of Legal Services (Monitoring Officer)	Phil Horsfield	Click here to enter a date.

Report Author: Tanya Shvab, Project Manager, Regeneration

This report is published on the Council's [website](#).