



Executive Director/Director Non-Key Executive Decision Report

Author/Lead Officer of Report: Matt Hayman,
Principal Development Officer

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Report to: Executive Director, Place
Date of Decision: 28th October 2021
Subject: Future High Streets Fund – ‘Front Door Scheme’
Grant Funding to M.R.C Pension Trust Limited

Which Co-operative Executive Member Portfolio does this relate to? Finance and Resources

Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? 918

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”

Purpose of Report:

To seek approval to award a capital grant of up to £900,000 to the M.R.C Pension Trust Limited towards the costs of refurbishment of 33-35 Fargate. The grant will result in job creation and contribute to delivering the objectives of the ‘Front Door Scheme’ intervention funded by the Future High Streets Fund.

Recommendations:

It is recommended that the Executive Director of Place in consultation with the Director of Finance and Commercial Services, the Director of Legal and Governance and the Co-operative Executive Member for Finance:

- Exercises the delegated authority provided to them by the Leader of the Council under the Month 3 Capital Approvals on the 25 August 2021 'to agree the final grant agreement terms' and 'allow the detail of the final distribution of grants to be agreed' in relation to the 'Front Door Scheme' and approve the proposed grant funding to M.R.C Pension Trust Limited (M.R.C) and the amended terms of the grant funding agreement as detailed in this report.

Background Papers:

Future High Streets Fund – Fargate and High Street, Cabinet Report, 17th March 2021

Form 2a – Funding Future High Streets Fund – Acceptance of MHCLG Grant, 28th April 2021

Leader's Decision – Month 3 Capital Approvals 2021/22 (Appendix 1)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Damian Watkinson</i>
	Legal: <i>Gemma Day</i>
	Equalities: <i>Annemarie Johnston</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	Lead Officer Name: <i>Matt Hayman</i>
	Job Title: <i>Principal Development Officer</i>
Date: <i>27th October 2021</i>	

1. PROPOSAL

- 1.1 On the 26th December 2020 the Government announced that Sheffield Fargate and High Street was successful in securing £15.8m from the Future High Streets Fund (FHSF). On the 17th March 2021, Cabinet delegated authority to Officers to accept the Ministry of Housing, Communities and Local Government (MHCLG) funding and enter into a grant agreement subject to the grant terms being received and agreed. The grant terms and conditions in the form of a Memorandum of Understanding were reviewed by delegated Officers and accepted through an Executive Director Non-Key Decision Report on the 28th April 2021. The decision was published on the 4th May 2021.
- 1.2 In summary FHSF funding is being used to deliver 3 interventions:
- The acquisition, redesign and refurbishment of 20-26 Fargate as an **'Events Hub'**
 - **Enhance the public realm and infrastructure on Fargate and High Street** to facilitate outdoor events, reduce crime, improve green transport connectivity, and support a resident community with improved services and waste management facilities.
 - Support landowners through the **'Front Door Scheme'** to open upper floor access and improve active frontage to Fargate by providing grant funding for appropriate projects.
- 1.3 On the 25th August 2021 the Leader of The Council approved the inclusion of the £5.1m 'Front Door Scheme' FHSF intervention to the capital programme as part of the Month 3 Capital Approvals. The template grant agreement had been drafted and was summarised within the Month 3 Capital papers. The intention was and still is that each organisation will be issued with the same grant agreement, and it was not envisaged that these would be amended materially. However, for any amendments that are needed to the grant agreement prior to each grant agreement being entered into a delegation was approved to the Executive Director of Place, in consultation with the Director of Finance and Commercial Services and the Director of Legal and Governance to agree the final grant agreement terms.
- 1.4 The first project under the 'Front Door Scheme' to be brought forward is the refurbishment and repurposing of 33-35 Fargate. The building is owned by the M.R.C and the upper floors of the building are vacant. Proposals include a new front-door with dedicated access to the upper floors which are to be refurbished for flexible office and co-working accommodation. The scheme will bring more than 20,000 ft² of floorspace back into use and contribute to the objectives outlined in the Councils approved business case for Fargate and High Street. The FHSF will be used to fund the identified viability gap of up to £900,000. This will be achieved through a grant funding agreement with the building owners

with the terms drafted to ensure the funds are used in accordance with the objectives of FHSF and the Memorandum of Understanding with Government. The funding agreement terms are summarised at section 4.3 below.

- 1.5 The works are due to commence in November 2021 and complete by the summer 2022.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 Grant funding will secure private investment in Fargate and High Street to deliver economic growth, jobs and housing by accessing, repurposing and retrofitting of vacant buildings for new residential, leisure, workspace and community uses alongside existing retail. The investment alongside the wider programme of FHSF interventions will contribute to attracting an additional 110,000 visitors to the City Centre and creating up to 505 jobs.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Extensive consultation was undertaken throughout 2019 and 2020 to inform the strategic case and final business case approved by Government. Officers have and will continue to meet with retailers, businesses, landowners and wider stakeholders to keep them updated and receive feedback to inform any review of the interventions.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 There are no significant differential, positive or negative, equality implications arising from the recommendations in this report. The Equality Impact Assessment for the 'Future High Streets Fund – Fargate and High Street', which includes the Front Door Scheme interventions, anticipates that these should be of universal positive benefit for all local people, with added benefit from the creation of a significant number of new full and part time jobs. The local socio economic and community cohesion impacts are anticipated to be particularly positive. The Front Door scheme in this report has planning permission, which ensures compliance with the Equality Act 2010. The improvements include new lifts installed from the ground floor lobby to access each floor including the proposed roof space and the new entrance lobby has level access straight off Fargate.

4.2 Financial and Commercial Implications

- 4.2.1 On 28th April 2021 SCC accepted a grant of £15.8m in respect of the Future High Streets Fund of which £2.7m is allocated to the overall Front

Door Scheme Programme.

4.2.2 The total budget approved for the overall Front Door Scheme is £5.1m (approved as part of the Capital Approvals Month 3 2021/22). This is made up of the £2.7m from FHSF and £2.4m from the council's own resources as match funding. Payments under this agreement will be funded from this approved budget.

4.3 Legal Implications

4.3.1 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act. This enables the Council to pass the funding on to M.R.C via a grant agreement.

The grant agreement has had a few changes agreed with the grant recipient since the template grant agreement was outlined in the Month 3 Capital Approval papers. Key terms of the grant agreement are:

- Any significant change to the project must be agreed with the Council.
- The grant must be claimed by 31 August 2022.
- There are specific conditions that must be complied with prior to a grant claim being made, these include but are not limited to the works specification, project delivery programme and appraisal being produced, confirmation being received that the grant recipient has the funding available to pay for non-eligible expenditure, the grant recipient inputting their agreed investment and the project being completed and signed off.
- Grant claims must be submitted to the Council and provided with evidence. This evidence must include but is not limited to evidence that the amount of the claim has been defrayed., evidence it meets statutory requirements and evidence of sign off.
- Quarterly reporting will be requested to monitor the progress of the project.
- The Council will have the ability to withhold, suspend or require repayment of the grant in specific circumstances including if the Council is required to repay the grant to MHCLG.
- Please note, there is no break clause within the grant agreement.
- The grant can only be used for capital expenditure.

A subsidy control assessment has been carried out and the grant to MRC is not deemed to be an unlawful subsidy.

The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and Subsidy Control.

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Without grant assistance the building is likely to remain vacant and/or underused. A key objective of the Future High Streets Fund is to address this issue by supporting imaginative repurposing of vacant and underused buildings to introduce new uses that will support remaining retail and businesses.

6. REASONS FOR RECOMMENDATIONS

- 6.1 Approval of the grant funding to the landowner will secure private sector investment in the buildings refurbishment creating commercial space for new uses and jobs on Fargate. As the first project to receive grant funding through the 'Front Door Scheme' it is anticipated the investment will also act as a demonstrator to other building owners with vacant and underused property, particularly on the upper floors.

Appendix A Photograph of 33-35 Fargate