

**THE DONCASTER (CITY GATEWAY – RAILWAY SQUARE AND PHASE 1)**

**COMPULSORY PURCHASE ORDER 2023**

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**SUMMARY PROOF OF EVIDENCE OF NEIL FIRTH**

**FOR AND ON BEHALF OF CITY OF DONCASTER COUNCIL**

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**PINS REF: APP/PCU/CPOP/F4410/3324357**

**STATEMENT OF TRUTH**

**The evidence which I have prepared and provide for this public inquiry reference APP/PCU/CPOP/F4410/3324357 in this proof of evidence is true and has been prepared and is given in accordance with the guidance of my professional institution and I confirm that the opinions expressed are my true and professional opinions**

**Date: 27 March 2024**

A handwritten signature in blue ink, appearing to be 'J. P. Smith', enclosed in a light blue rectangular box.

**Signature:**

1 I am Neil Firth, Head of Service for Major Projects and Investment at City of Doncaster Council (the “Council”)

2 In terms of my qualifications and experience, I am an Incorporated Civil Engineer and have an MA in urban design. I have almost 40 years’ experience in delivering major infrastructure projects. I have led the Major Project (“MP”) teams at the Council (which includes professionals leading on design, project management and procurement) for 15 years.

3 My role in relation to this project has been to head the team responsible for overseeing and managing the delivery of the project on behalf of the Council and the Towns Deal board. The formation of a town deals board was a requirement of the bid. The board was established to provide independent scrutiny and oversight in the delivery or the bid.

4 My evidence covers funding, viability, delivery, responses to objectors raised in relation to funding and delivery issues, and assessment against the key compulsory acquisition legal tests related to these issues.

#### **VIABILITY AND FUNDING**

5 On the 6 September 2019 the Ministry for Housing, Communities and Local Government (“MHCLG”) (now the Department for Levelling Up, Housing and Communities (“DLUHC”)) announced the establishment of a £3.6 billion Towns Fund to support economic regeneration, and invited 100 places to develop proposals for up to £25 million of investment per place. One of these places was the City of Doncaster.

6 The proposal/bid to the Towns Fund to secure funding was developed by the Council supported by consultants Mott Macdonald alongside the Doncaster Town Deal board. Consultation with key stakeholders and members of the public was undertaken (**POE/NF/1**), by the Council and Mott MacDonald on behalf of the Town Deal board. As a result of the development of the proposal and the consultation exercise undertaken, the Town Investment Plan (“TIP”) for Doncaster (**CD/26**) (being part of the proposal/bid to the Towns Fund) was submitted to MHCLG in January 2021.

7 Further discussions took place with DLUHC in relation to the bid, and this resulted in DLUHC releasing a Grant Offer Letter for the Doncaster Town Deal on 11 November 2021 (**CD/28**) for a total £24.8m allocated to the projects outlined below;

- a. Project A - Doncaster Gateway: Railway Square Extension (£4.149m provisional offer).
- b. Project B - Doncaster Station Gateway: New Multi-Use Building and Associated Public Realm (£20.09m provisional offer).

c. Project C Doncaster Heritage 561,000 (not related to this compulsory purchase order).

Total £24,800,000

- 8 Both Project A and Project B make up the “Scheme”, which is to be delivered through the Doncaster (City Gateway – Railway Square and Phase 1) Compulsory Purchase Order 2023 (the “Order”).
- 9 The estimated cost of the Scheme has increased to £27,039,000<sup>7</sup> due to inflation and the acquisition cost of Trafford Court. The investment by Town Deal of £24,239,000 (being Project A and Project B as set out in paragraph 7~~Error! Reference source not found.~~ above) of funding towards the project has been increased by £2,800,000 of public sector investment required to cover the increased cost estimate.
- 10 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 for additional funding if the project cannot continue without this and the income from the Scheme is sufficient to meet the requirements of the fund. I would not consider this to be problematic, because there is sufficient room within the rental income to borrow against. In addition, the Council’s Cabinet are aware as part of the approval that further funding may be required and that this would be the process to follow to secure this.
- 11 The Council has been working with Queensberry Real Estate Consultants who have provided expert advice (**POE/NF/9**) on the current market demands for commercial office space, in addition to projected potential rental income from the development. In my view Queensbury’s advice suggests that rental income generated by the building will adequately cover any borrowing costs to cover any shortfall. Queensbury’s advice also suggests that the new building should be attractive and marketable to tenants.

## **DELIVERY**

- 12 The initial Town Deal funding grant was based on a targeted completion date of end of March 2026 as submitted in grant offer and accepted by DLUHC. Due to delays in site acquisitions construction is due to start on site in March 2025 and current programmed completion is now targeted at November 2026.
- 13 In my opinion the construction of the project could be completed sooner than outlined above following confirmation of the Order. The programme outlined above is to ensure smooth transition for tenants and occupiers.

- 14 The conditions of the Town Deal funding grant do not contain any clawback conditions, however the Council must monitor and evaluate the programme and submit regular reports to DLUHC as well as meeting with officials from DLUHC that form part of the Town Deal board. The Council has kept DLUHC informed of the programme and the impact on the completion date. DLUHC is fully aware of the extension to the delivery programme, the new targeted completion date of November 2026 and DLUHC have indicated they are content with the revised programme at the town deal board.
- 15 In any event, the delivery deadline set by DLUHC currently remains March 2026 and therefore the Council must proceed on the basis that the deadline is required to be met. As such, in order to meet this deadline, compulsory purchase powers need to be exercised now.
- 16 The extent of the project has not changed in the last 18 months, the proposed start has been revised to March 2025 and therefore there may be small inflationary costs to consider, however the current budget has contingency for inflation and so the precautionary budget and additional funding are considered to be sufficient. The Council has the benefit of significant funding from DLUHC, has already committed by purchasing the freehold to Trafford Court and the Council's Cabinet have resolved to provide alternative funding to deal with any shortfalls. The Scheme is an important part of the DTIP and DUMC and so there can be every confidence that the Scheme will be delivered.
- 17 In my professional opinion, and on behalf of the Council in my role as Head of Major Projects and Investment, I am satisfied that:
- a. there is a strong and deliverable business model for the Scheme;
  - b. there is a funding model that supports the delivery of the Scheme to the delivery programmed as outlined below;
  - c. the cost estimate includes a contingent a risk for inflation; and
  - d. the Council have underpinned the budget with a commitment to cover any cost increase due to inflation.