



## Report to Policy Committee

**Author of Report:** Alan Seasman, Service Manager City Regeneration and Major Projects

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**Report of:** *Kate Martin, Executive Director City Futures*  
**Report to:** *Transport Regeneration and Climate Change*  
**Date of Decision:** *24<sup>th</sup> November 2022*  
**Subject:** *Levelling Up Fund – Update*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1322				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
<i>Appendix 2 is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) (information relating to the financial or business affairs of any particular person (including the authority holding the information))</i>				

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### **Purpose of Report:**

This report provides a progress update on the successful Round 1 Levelling Up Fund bids and a summary of the as yet undecided Round 2 Levelling Up Fund Submissions

In addition, the report recommends the acceptance of the recommendations of the recent “Live Works” coproduction workshops for the Gateway to Sheffield Levelling Up Fund activity.

**Recommendations:**

The Transport, Regeneration, and Climate committee is recommended to:

- a) Note the positive progress made on the LUF Round 1 projects Gateway to Sheffield and Attercliffe;
- b) Note the submission of two bids to the LUF round 2 and request a further report is brought to this committee once the outcome is known;
- c) Approve the implementation of 13 recommendations of the Live Works workshop, subject to the availability of funding;
- d) Note that the resources identified in the Gateway to Sheffield LUF bid for the creation of development plots will be used in the first instance to make good two buildings on the Castle Site;
- e) Note the exempt appendix 2 and authorise Officers to seek approval from the Department for Levelling Up Homes and Communities to relocate an element of the project to the Castle Site.

**Background Papers:**

**None**

<b>Lead Officer to complete: -</b>	
1	<p>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.</p> <p>Finance: <i>Damian Watkinson and Anoop Rughani</i></p> <p>Legal: <i>David Sellars and Robert Parkin</i></p> <p>Equalities &amp; Consultation: <i>Ed Sexton</i></p> <p>Climate: <i>Jessica Rick</i></p>
	<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	<p><b>SLB member who approved submission:</b></p> <p><i>Kate Martin, Executive Director City Futures</i></p>
3	<p><b>Committee Chair consulted:</b></p> <p><i>Julie Grocutt and Mazher Iqbal, Joint Chairs Transport Regeneration and Climate Change Committee</i></p>
4	<p>I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</p>

<b>Lead Officer Name:</b> <i>Alan Seasman</i>	<b>Job Title:</b> <i>Service Manager City Regeneration and Major Projects</i>
<b>Date:</b> <i>14<sup>th</sup> November 2022</i>	

## **1. PROPOSAL**

### **1.1 Background to Levelling Up Fund**

- 1.1.1 The Levelling Up Fund, administered by the Department of Levelling Up Homes and Communities provides financial resource to invest in local communities to tackle economic differences persistent in cities, especially post-industrial cities like Sheffield. Such economic differences are present in people's work opportunities, living and health conditions, and general wellbeing. The Levelling Up Fund aims to 'level up' regions in the UK to tackle economic differences and drive prosperity.
- 1.1.2 In the Levelling Up Fund prospectus, the Government acknowledges that this prosperity can be measured in many ways. However, the most powerful barometer of economic success is the positive change people see and the pride they feel in places they call home.
- 1.1.3 Bids for both "Gateway to Sheffield" and Attercliffe were submitted to Government by the City Council in June 2021 and the success of both bids was announced on 28th October 2021. Sheffield was awarded the full £37m requested from the Government's Levelling Up Fund including £20m allocated for investment in Gateway to Sheffield and £17m allocated for investment in Attercliffe. Contracts were signed on the 8th of February 2022 with initial development funding released to the Council at the end of February 2022. The Council is required to demonstrate the use and delivery of the Levelling Up Fund funds for the allocated areas by March 2024.
- 1.1.4 In March 2022, the Government issued a further prospectus for Round 2 of the Levelling Up Fund. The criteria for bids was largely unchanged from Round 1. The deadline for submissions was 6<sup>th</sup> July 2022 but this was extended to 2<sup>nd</sup> August due to technical issues with the electronic portal for submissions.
- 1.1.5 Sheffield has submitted a further two bids via Round 2: Heeley Regeneration and Parkwood Springs

### **1.2 Summary of Each Bid**

#### **Levelling Up Fund Round 1 – Funding approved**

##### **Gateway to Sheffield**

- 1.2.1 This package bid of £20m LUF funds brings together three projects that respond directly to the Levelling Up Fund's call to 'prioritise investment that not only brings economic benefits, but also helps bind communities together'. It welcomes visitors, residents, and investors into a previously neglected part of Sheffield's heritage, using public realm interventions to create new sense of place. It links historic sites with revitalised cultural institutions that will nurture the city's talent for generations to come. The three projects and the broad distribution of the Levelling Up Funds is:

- The Castle (£15,760,894)
- Park Hill Art Space (£2,639,106)
- Harmony Works (£1,600,000)

1.2.2 The Castle site is the centrepiece. It provides essential infrastructure and enabling work to unlock the future development of a large brownfield site and the economic regeneration of Castlegate quarter. Castlegate is the birthplace of Sheffield. At the confluence of the River Sheaf and the River Don, this was once the heart of the city, and the site of Sheffield castle demolished in 1648. Once a thriving commercial area, it has lost its identity and purpose. The Castle project will re-establish Castlegate as a vital part of the city centre. The River Sheaf will be de-culverted and complemented by new green space and public realm. Land will be readied for future development. This element of the bid should produce: 8,120m<sup>2</sup> transformed public realm; 760m<sup>2</sup> of a deculverted River Sheaf; 3,303m<sup>2</sup> site readied for future development; and the Castle remains preserved for future generations

1.2.3 The second project is S1 Artspace with LUF funds contributing to refurbishment of a building to create new exhibition space. Together with match funding being secured by the project, this element of the bid should produce: 650m<sup>2</sup> of gallery space; a Café, shop & event space; a Learning Studio; Workspaces for artists and creative businesses; 9 live/work flats for creative sector use; and 2 'heritage flats' managed by National Trust together with a 6-acre sculpture park.

1.2.4 For Harmony Works, the LUF funds will be used for the acquisition of Canada House. Together with match funds being secured for the project this should produce: 1 heritage building preserved; a collaborative music education centre and public venue; approximately.1160sqm teaching space; flexible performance spaces of around 350sqm; and an outdoor breakout space/roof garden.

### **Attercliffe**

1.2.5 The successful bid is based on bringing 3 projects together that respond to the Levelling Up Funds Call to "prioritise investment that not only brings economic benefits but also helps to bind communities together".

1.2.6 Attercliffe has suffered long-term decline over more than 40 years. Once a major retail and commercial hub serving nearby industry, it has an opportunity to forge a new identity as a neighbourhood centre, and act as an important employment hub for employers of the future.

1.2.7 The package combines three projects with a total LUF investment of £17,041,850:

- The Centre for Child Health Technology (CCHT) (£8,848,100);
- Connectivity and Movement (£4,000,000); and
- Adelphi Square (£4,193,750)

1.2.8 The LUF funds for the *National Centre for Child Health Technology* will help deliver the world's most advanced and integrated healthcare system for children. An on-site healthcare ecosystem will bring together industry, academia, clinicians, patients and families to create high value child healthcare products at pace.

1.2.9 It will accelerate development of the Sheffield Olympic Legacy Park (SOLP), and attract national and international investment, creating high value jobs, developing new companies and generating upwards of £2 billion of GVA.

1.2.10 The CCHT also directly supports the NHS Long-Term Plan, addressing regional health inequalities.

1.2.11 The LUF funds for *Movement and Connectivity* complements investment through the Transforming Cities Fund (TCF) to enhance connections between Attercliffe High Street and SOLP. This project will: Create a cycle hub at SOLP to enable and encourage active travel and improve connectivity to and from the high street; add streetscaping and targeted upgrades of tram stops to create a more welcoming environment; and prepare the site for a new Enterprise Centre – a proposed incubator and co-working facility at SOLP.

1.2.12 The funds for *Adelphi Square* will provide space for cultural and leisure services to support the vibrant employment hub at SOLP, with LUF funding used to acquire and refurbish two neglected heritage assets. This project is central to the Attercliffe Action Plan, adding a cultural anchor on the High Street, including event spaces, shared studios and a multipurpose auditorium. It will drive footfall and extend dwell time in the high street, shifting perceptions that Attercliffe is run-down and strengthening a sense of community and pride of place.

### **Levelling Up Fund Round 2 – Bids submitted**

#### **Heeley Regeneration**

1.2.13 The Council has submitted a request for £17.4 million funding for development in the Heeley area. With the Council's support, Heeley Trust has developed a promising project which aims to deliver improvements to community facilities and access to resources and education spaces.

1.2.14 If the bid is successful, the project would see:

- Completion of the restoration of former Ann's Grove School -Building on the success of the first phase of restoration, the funding would enable the creation of further spaces for businesses, cultural and community organisations;

- Completion of Ash Tree Yard restoration - Creating an outdoor industry hub around Heeley Trust's award-winning bike shop, A Different Gear, with businesses which share Sheffield's 'Outdoor City' values and bolster its economy;
- Improved access for all - Footpaths in the area are to be repaired and resurfaced to encourage active travel and links to public transport and local services are to be improved. Land is also to be acquired to increase car parking capacity;
- Refurbishment of community facilities and creation of a new community garden;
- Creation of state-of-the-art primary care network hub and social prescribing centre; and
- Restoration and regeneration of Meersbrook Hall - an historic building prominently situated within the district's main public park which will be repaired and refurbished to unlock its potential to be reused as a community hub, makers space and studio.

### **Parkwood Springs**

1.2.15 The Council has also bid for £19.2m of funding for ambitious plans for Parkwood Springs. Parkwood Springs is a prominent feature of Sheffield's landscape – a well-known asset that has been under-utilised since a fire destroyed its much-loved Ski Village in 2012. If successful, the Levelling Up funding would be used to kick start the ambition to create a Country Park in the City, cementing Sheffield's reputation as the "Outdoor City".

1.2.16 The investment will pave the way for a regional leisure destination and a valued amenity for Sheffield residents – especially those living in the nearby communities.

1.2.17 If the bid is successful, the project would see:

- Improved access to Parkwood Springs - Access to the site would be improved for all, with a particular focus on increasing active travel and public transport provision to the area and improving approaches to the site with 'Grey to Green' type investment used elsewhere in the City.
- Site clearance, clean up and enabling works -The area of the former ski slope would be prepared for future redevelopment as a regional leisure destination with all derelict remains from the previous ski slope removed.
- Investment in trails and wayfinding -Funding will be used to deliver new and upgrade existing walking paths and mountain bike trails, extending the area of the site which can be accessed and making the whole site more accessible to people of all ages and abilities. With a new visitor centre and bike hub, plus information boards, event space and improved boundaries, Parkwood Springs will be strengthened as a destination in its own right.

## **1.3 Progress on Successful Bids**

1.3.1 Announcements on success or failure of the Round 2 bids is anticipated some time in the Autumn. The rest of the report provides a progress update on successful Round 1 Bids.

#### Gateway to Sheffield

1.3.2 Since the award of LUF funds to the project at the end of February 2022, each element of the project has made differing degrees of progress.

1.3.3 On the Castle Site, professional teams have been procured to carry out further site investigations including the production of a “BIM” model, further archaeological investigations, understanding of the technical constraints associated with the de-culverting of the Sheaf, and ecology studies relating in particular to the presence of bats in the “megatron” section of the River Sheaf.

1.3.4 Additionally, the “Live Works” team from Sheffield University’s School of Architecture have been involved in the development of the concept plan for the site. This followed on from an inception workshop with Castlegate Partnership members in November 2021, four workshops took place between 9th and 16th June 2022 on the following themes:

- Revealing the outdoor city
- Revealing innovation
- Revealing Arts & Culture
- Revealing Heritage

1.3.5 A workshop report has been produced and makes 13 recommendations. Appendix 1 contains a summary response to these recommendations and this report recommends that they are accepted subject to the caveat that implementation will depend on the availability of funding and resources..

1.3.6 The recommendations from the workshops have already been used to inform the concept design for the Castle Site. The design at Concept 2 stage has been subject to public consultation between the 7<sup>th</sup> and the 24<sup>th</sup> November. The results of the public consultation will be used to further inform the design and a planning application will be submitted in January.

1.3.7 The Concept 2 Design has also been the subject of discussion at the Sheffield Design Panel that took place on 2<sup>nd</sup> November 2022.

1.3.8 The further archaeological work has been completed with Wessex Archaeology undertaking a series of borehole investigations to determine further information particularly in relation to the extent of both the motte and the moat of the castle remains. The report is due to be finalised in December and will inform the final version of the BIM model being produce by ARUPs. This in turn will inform the design for the Castle site to be submitted as part of the planning process.



- 1.3.9 It is anticipated that selection of a contractor to carry out the works to the site will take place in March for a planned start on site in the summer of 2023.
- 1.3.10 A series of development plots have been included in the concept design. However since submitting the bid, it is felt that the inclusion of a further two existing buildings on the perimeter of the Castle site as additional development plots would enhance the Castle site development. The report recommends inclusion of these buildings within the Development Plots for the site with any necessary requests for inclusion being made to DLUHC as required. This would enable the repair of these historic buildings to a standard for fit out and occupation.
- 1.3.11 Good progress has been made with Harmony works proposal, planning and listed building consent has now been granted for the project and an application for funding for refurbishment works has been submitted to NHLF.

### **Attercliffe**

- 1.3.12 The Centre for Child health Technology project is progressing well with partners at Sheffield Children's Hospital and Legacy Park Limited. In October 2021 a Memorandum of Understanding was signed between SCC and Sheffield Children's NHS Trust, with Architects Appointed early Feb 2021 and Scarborough International identified as a suitable development partner.
- 1.3.13 Progress on the design has moved at pace and a planning application submitted on 31st May 2021, validated on 17th Jun 2022 and likely to be approved before the end of the year.
- 1.3.14 A funding application has been submitted to SYMCA and it is anticipated that the match funding will be in place by January 2023 with a start on site for this project is likely in the summer of next year.
- 1.3.15 LUF funding for Movement and Connectivity, add to the investment that will be made through the Transforming Cities project. The procurement process for Transforming Cities project has unfortunately taken much longer than expected and as a result delays to physical delivery have occurred. However, it is anticipated that the project will be delivered in the necessary timescale for the LUF.
- 1.3.16 Consultants are now being appointed to progress the design of the scheme, including the Traffic Regulation Order for an HGV ban and associated restrictions that will be progressed.
- 1.3.17 In addition, several Attercliffe car parks in need of repair and improvement have been identified and a proposal has been drafted for initial costs estimates. These works will include removal of vegetation (and replanting if required), improved lighting, barrier installations, resurfacing and lining, and where appropriate CCTV. The immediate focus are the car parks in the LUF

area itself, including Shortridge Street, Baltic Road, Baltic Way and Bodmin Street. Consideration is also being given to the inclusion of Kimberley Street and Zion Lane, subject to the availability of funding.

1.3.18 A site for the new Bike Hub has been identified and SYPTTE are in conversations with Scarborough Group about improvements to the Tramstops close to Flame Hill at the Olympic Legacy Park. Scarborough Group are also working on the first phase of work for the creation of the Innovation Centre at this location and the LUF funds will make a significant contribution to dealing with the ground conditions at this site.

1.3.19 Conversations with Network Rail regarding the bridge removal at Brightside Lane are also in progress.

1.3.20 Finally, at Adelphi Square, building condition and asbestos surveys have been completed and negotiations for the acquisition of a target building on Attercliffe Road have been concluded and once the sale completes, work will begin to refurbish the building and attract a suitable owner/operator.

## **2 HOW DOES THIS DECISION CONTRIBUTE?**

2.1 Following the recommendations in the report will ensure that the Council meets its obligations in delivering the required outputs for the Gateway to Sheffield and Attercliffe Levelling Up Fund bids.

## **3 HAS THERE BEEN ANY CONSULTATION**

3.1 In submitting the bid to the Levelling Up Fund there was consultation with local stakeholders.

3.2 For Gateway to Sheffield there are regular updates and discussion with the Castlegate Partnership and a wider public consultation on the proposals for the Castle site and the future of Castlegate took place between the 7<sup>th</sup> and 20<sup>th</sup> November, including a range of workshops organised by the University of Sheffield's "Liveworks" team. There will be further opportunity for comment through the planning process when the application for the proposals for the Castle site are made.

3.3 For Attercliffe consultation has included members of the local business community, Sheffield Children's NHS Trust, Sheffield Olympic Legacy Park, Scarborough Group International and Sheffield Hallam University. Specific consultation on individual projects will be undertaken as part of their development.

## **4 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### 4.1 Equality Implications

4.1.1 An Equalities Impact Assessment has been undertaken for the changes proposed in the recommendations and wider progress across the bids and projects.

4.1.2 The initial assessment has determined that for the Gateway to Sheffield Project the proposals contained in this report should have a positive impact on the Castlegate and wider Sheffield City Region, including currently under-served communities by creating a stronger sense of place and community; increasing wider investment opportunities; improving the wider area and creating the conditions for greater job, retail, and commercial opportunities to meet diverse community needs.

#### 4.2 Financial and Commercial Implications

4.2.1 The costs of the recommendations in this report are funded entirely from the Levelling Up Fund allocation received from Central Government.

4.2.2 The main financial implication is not having enough capital to implement all the recommendations from the Liveworks recommendations and uncertainty on the revenue implications of these proposals. In addition, delays to not making the changes proposed to DHLUC and the potential of not meeting the deadline of the end of March 2024 for expenditure and then being at risk of clawback of the LUF funds.

4.2.3 The review process for the design of the park will continue to value engineer costs where necessary with a focus on delivering the outputs from the LUF bid to avoid clawback.

#### 4.3 Legal Implications

4.3.1 There are no immediate implications flowing from the recommendation.

#### 4.4 Climate Implications

4.4.1 Considerations of climate implications and an initial Climate Impact Assessment has been undertaken as appropriate for the progress update for the Levelling Up Fund bids and specifically in relation to the recommendations of this report.

4.4.2 The initial Climate Impact Assessment has determined that these projects should have an overall neutral/positive impact on the climate. The projects in general aim to improve the public realm in specific areas and the use of existing buildings; encourage active travel and minimise public transport use; and limit the demand of energy. All projects aim to benefit the Zero Carbon 2030 City Target.

4.4.3 Endorsing the recommendations stated in this report will help to improve a sustainable and inclusive economy in Castlegate and the wider Sheffield City Region.

#### 4.5 Other Implications

4.5.1 None

### **5 ALTERNATIVE OPTIONS CONSIDERED**

**Options have been considered for the recommendations relating to the Gateway to Sheffield project specifically**

#### 5.1 Do nothing

5.1.1 If the Council decided not to include the two buildings as development plots there is a risk that they would be left to deteriorate further and become an increasing blight on the Castle Site and Exchange Street. The funding would continue to be used to bring forward other development plots within the Castle Site.

#### 5.2 Do More

5.2.1 Whilst there is no more funding available from DLUHC, one consideration would be to ask DLUHC to vire more of the funds allocated to the Gateway to Sheffield Project to do more than undertake initial repair of the buildings. However, this would be detrimental to other elements and outputs for the project. Additional applications for funding could be made but these would take time to secure and may jeopardise delivery of LUF scheme, project and outputs.

#### 5.3 Chosen Option

5.3.1 The proposals in the report are considered to be the minimum required to ensure that the Gateway to Sheffield project can deliver the best outputs for the funding awarded

### **6 REASONS FOR THE RECOMMENDATIONS**

6.1 The recommendations recognise the work done so far in discussion with a wide range of stakeholders and the public and allows for these views to be used to inform the design of the Castle Site.

6.2 Furthermore the recommendations enable best use of the resources identified for development plots within the LUF funding allocation, ensure all project outputs are delivered and that LUF investment in the Castle Site is enhanced.