1. The Grey to Green Project (funded through ERDF and SCRIF funding) is on site and expected to be completed by December 2015;

2. The project’s ambition is to improve the quality and appearance of key public spaces in the Riverside Business District as an attractive place for new investments and employment through the implementation of a corridor of Sustainable Urban Drainage;

3. Public Art is a fundamental part of that transformation as has been demonstrated in previous successful schemes such as Peace Gardens and Sheaf Square. The final budget allocation was not determined until the tender price for the overall construction programme had been finalised.

4. The public art budget has increased to a final cost of £160,000 which has been agreed by the funders, ERDF and SCRIF. There are very tight timescales to achieve the public art works so procurement must start as soon as possible.
Reasons for Recommendations:

It is paramount to approve for SCC’s Executive Leader to approve the public art budget and procurement strategy as the timescales to achieve the public art works are very tight and in line with the funders’ requirements, ERDF in particular. It is not possible to wait for July’s Cabinet (there is no Cabinet meeting in June).

RECOMMENDATIONS

1) Approval of updated public art budget within the Grey to Green Phase 1 project, to be funded through ERDF and SCRIF (outlined in section 7 of the report)

2) Approval of the procurement strategy agreed by CPG on 29th June (included in Annex A)

3) To grant delegation of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the necessary contracts

Background Papers:

- Cabinet Report 15 October 2014
- Sheffield City Centre Master Plan 2013

Category of Report: OPEN

If CLOSED add ‘Not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).’
### Statutory and Council Policy Checklist

<table>
<thead>
<tr>
<th>Financial Implications</th>
<th>YES: Cleared by Paul Schofield</th>
</tr>
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<tbody>
<tr>
<td>Legal Implications</td>
<td>YES: Cleared by David Hollis</td>
</tr>
<tr>
<td>Equality of Opportunity Implications</td>
<td>YES Cleared by: Ian Oldershaw (as per approved EIA for the project)</td>
</tr>
<tr>
<td>Tackling Health Inequalities Implications</td>
<td>YES/NO</td>
</tr>
<tr>
<td>Human Rights Implications</td>
<td>YES/NO</td>
</tr>
<tr>
<td>Environmental and Sustainability implications</td>
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</tr>
<tr>
<td>Economic/ Commercial Impact</td>
<td>YES Cleared by: Jed Turner</td>
</tr>
<tr>
<td>Community Safety Implications</td>
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<tr>
<td>Human Resources Implications</td>
<td>YES/NO</td>
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<tr>
<td>Property Implications</td>
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</tr>
<tr>
<td>Area(s) Affected</td>
<td>Central ward</td>
</tr>
<tr>
<td>Relevant Cabinet Portfolio Lead</td>
<td>Councillor Leigh Bramall (Business, Skills &amp; Development)</td>
</tr>
<tr>
<td>Relevant Scrutiny Committee</td>
<td>Economy, Environment and Well-Being</td>
</tr>
<tr>
<td>Is the item a matter which is reserved for approval by the City Council?</td>
<td>YES/NO</td>
</tr>
<tr>
<td>Press Release</td>
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</table>
1.0 SUMMARY

1.1 The Grey to Green Project (funded through ERDF and SCRIF funding) is on site and expected to be completed by December 2015;

1.2 The project’s ambition is to improve the quality and appearance of key public spaces in the Riverside Business District as an attractive place for new investments and employment through the implementation of a corridor of Sustainable Urban Drainage;

1.3 Public Art is a fundamental part of that transformation as has been demonstrated in previous successful scheme such as Peace Gardens and Sheaf Square. The final budget allocation was not determined until the tender price for the overall construction programme had been finalised.

1.4 The public art budget has increased to a final cost of £160,000 which has been agreed by the funders, ERDF and SCRIF. There are very tight timescales to achieve the public art works so procurement and delivery must start as soon as possible.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

The ‘Grey to Green Phase 1’ project will:

2.1 It will improve the links from the core of the City Centre (‘Heart of the City’), to the Riverside Business District and to the northern City Centre quarters, namely Kelham Island, Wicker/ Nursery St and Castlegate/ Victoria Quays (please see Annex A for location plan) to maximise investment and pedestrian movements, connecting to and maximising the use of the emerging Steel Route.

2.2 It will create a network of high quality public spaces which will establish Sheffield’s Central Riverside as a distinctive and high quality location for new businesses, and will change investors’ and existing occupiers’ poor perceptions about the area and thereby improve investment and bring new jobs to the City.

2.3 It will help to create a wider context for the proposed Castle Hill Park on the former Markets site; improve the setting and accessibility of the existing cluster of seven hotels in the area; provide an appropriate civic setting for the Crown and Family Courts.

2.4 It will exploit the benefits of the construction of the Inner Relief Road (completed in 2007) to assemble and bring forward new sites for quality employment use, creating much needed investment particularly in office
and professional and knowledge intensive business services.

2.5 It will support Sheffield’s bid for the location of the High Speed 2 Station in the city centre (the Council’s preferred option is at Victoria Station) which is in close proximity to the proposed works.

2.6 It will develop an innovative and aspirational model for the recycling of redundant highway infrastructure – Sheffield’s own take on Manhattan’s “High Line Park” and Paris’ ‘Promenade Plante’ based on Sheffield’s acknowledged expertise in the field and which can be reproduced locally by Streets Ahead and nationally by Amey as a new technique.

2.7 Phase 1 will provide a 0.492 Km corridor of porous surfaces providing a sustainable solution to surface water drainage reducing run off to the River within the ‘flood zone’ and helping to mitigate flood risk from surface water.

2.8 It will increase tree street cover and shade to mitigate increasing heat island effect of climate change.

3.0 OUTCOME AND SUSTAINABILITY

3.1 The ‘Grey to Green Phase 1’ project will help a key objective of the City, as set out in the City Centre Master Plan, to transform the Castlegate / Riverside area into a desirable location for new investment, maximising the opportunities offered by the inner ring road (and minimising travel distances) and the availability of large vacant or semi vacant sites to bring new jobs and wealth to the City.

3.2 It will create a significant section of attractive and safe walking and cycling routes into and around the City Centre.

3.3 It will complement the proposed HS2 station which would add further advantage to this location for new businesses. However should the city centre option be rejected, this project will provide a highly sustainable location in terms of the highways network and direct links to the M1.

3.4 It also offers an opportunity to bring greenery as well as providing a 0.492 km corridor of porous surfaces reducing run off to the River within the ‘flood zone’ and helping to mitigate flood risk from surface water. This is particularly important to deal with the expected impact of climate change.

4.0 PROPOSALS

Background

4.1 For the past 15 years, Sheffield City Centre has experienced a significant transformation, spreading out from the ‘Heart of the City’ and the other key projects that originated from the 2000 Sheffield One Masterplan, which were in part funded by Objective 1. Dramatic improvement of the
physical environment, linked to key development sites and partnerships have played a key role in establishing a new Central Business District, Cultural Heart and regeneration of the Moor

4.2 The Grey to Green Phase 1 project is transforming an underperforming area of the City Centre and seeking to reap the benefits of the completion of the inner relief road in 2007 which resulted in the virtual removal of non-public traffic from West Bar. So the key elements of the project are to reclaim around half of the carriageway way for non-highway use, in this instance for Sustainable Urban Drainage (SUDs), landscaping using striking meadow-type planting (following “green roof principles”) in conjunction with the University of Sheffield’s landscape department (which design the Olympic Village in 2012 using similar principles) and an improved environment for all the users of the area, whether pedestrian, cyclists or car drivers.

5.0 FUNDING AND OUTPUTS

5.1 The Grey to Green Phase 1 project is funded by European Regional Development Fund (ERDF), probably the last project to be approved by ERDF as part of the current programme and Sheffield City Region Infrastructure Fund (SCRIF), the first project to be approved under this new programme.

5.2 The funding approved has to be spent by December 15 which means the works have to be completed by end October/ early November 15. The project is on site and completion is expected on 6th November 15 so that all the moneys can be claimed.

5.3 Sustainable urban Drainage (SUDs) is a key innovatory element of the project. We are planning to construct around West Bar what we think is the longest retro-fit open SUDs system in an urban setting the Country. We have worked with leading national and international experts in the field. The only outputs linked to the project are the development of 0.492km of infrastructure, including SUDs.

5.4 It has been very tight to achieve the detailed design of the scheme, which had to be completed in October 14 to achieve the ERDF funding. The scheme has been on site since April 2015 and is on target for completion by November 2015 to meet ERDF requirements.

6.0 PUBLIC ART IN THE ‘GREY TO GREEN PHASE 1’ PROJECT. APPROVALS

6.1 Public art has always been an integral part of this project as is in general in City Centre projects, such as the ‘Cutting Edge’ outside the station or City Hall (both also funded by ERDF). However, because of tight timescales, the focus was on the overall design and not the detail to the public art elements of the scheme. An indicative £50k was included in the original ERDF bid. Recently, two things have happened. Firstly, following
the procurement of the contractor to build the scheme (the competitive process was awarded to North Midland in January 2015), the construction cost agreed was lower than that estimated. Secondly, in the earlier months of 2015, the public art concept and budget was finalised and a procurement strategy agreed for the procurement of the public art works by the Council’s Capital Programme Group initially on the 27th April 2015 and finalised at Capital Programme Group on the 29th June 2015. This project will provide Economic infrastructure (Public Art) as part of the Grey to Green Phase 1 – Sheffield Riverside Business District project. The inclusion of Public Art was always envisaged as part of the Grey to Green Phase 1 project but was not included in the Grey to Green Phase 1 Procurement Strategy due to funding uncertainties. Due to a competitive tender on the Grey to Green Phase 1 project, a proportion of the remaining budget is available to fund the Public Art. ERDF have now confirmed that they will allow their portion of the remaining budget to be used for this project.

6.2 At the May Cabinet meeting, there was a request from the Cycling Forum to dedicate the funding to dedicated cycling lanes instead of public art. Consequently, the request for public art budget approval and procurement strategy were not approved as Members requested a further report.

6.3 The detailed design had considered all options for cyclists (as well as cars and pedestrians) and a final agreed design had been signed off by the Director for Regeneration and Development Services who believes this design is a better environment for cyclist, pedestrian and cars. It could not be changed at this late stage without jeopardising the punctual delivery of the scheme and potential loss of funding.

6.4 Public art funding was included in the original bid. Following the detailed scoping of the project, the budget has increased from £50k to £160k. This increase in public art costs can be met with as the contractor’s costs are lower than estimated. This cannot be transferred to any changes in the highway design as this cannot be accommodated as explained above.

6.5 The Deputy Leader has reviewed the scheme and timescales and supports the revised public art budget and the procurement strategy being approved under this report rather than a further report to Cabinet.

6.6 The final cost of the public art is £160,000 which is broken down as £125k construction, £10k fees and £25k commuted sum for maintenance. These are estimated and will be confirmed following the final design and procurement process.

6.7 A sub-group of the Riverside Business District Association (RBDA) has been set up to help finalise the design of the public art element of the scheme. A plan has been drawn up with potential locations for the proposed ‘totems’ (Annex B)
7.0 **FINANCIAL IMPLICATIONS FOR THE PUBLIC ART BUDGET**

7.1 The estimated cost for the public art element is £160,000 and will be used to erect five totem poles along the route. It is going to be funded as follows:

<table>
<thead>
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<th>Source</th>
<th>Amount £m</th>
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<tr>
<td>ERDF</td>
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<tr>
<td>SCRIF</td>
<td>£106,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£160,000</strong></td>
</tr>
</tbody>
</table>

7.2 The estimated costs are as follows:

- Steelwork fabrication and installation £65,000
- Foundations £20k;
- Artist commissions £40k;
- Fees £10k

7.3 A further commuted sum of £25k will be used to pay for the Commuted Sum for maintenance which will be funded from SCRIF because it is ineligible for ERDF funding.

7.4 Below are the legal implications of the proposed delivery and procurement routes, which the Council believes is compliant with the grant conditions.

7.5 In the event this were not so, the funder would have the option to claw back some of the grant. The Council estimates there is a risk of a 25% claw back of the value of the relevant element of the supplementary contract. (i.e. foundations £20k, fabrication and installation of structures £65k and artist commissions £40k totalling £125k).

7.6 The project team has agreed to cover any risk, estimated in the worse-case scenario at just over £31k, from the contingency within the SCRIF funded budget.

8.0 **LEGAL IMPLICATIONS**

8.1 In summary, there are three strands to this project:

1) Foundations – carried out by a variation to the existing Grey to Green Phase 1 contract with North Midland.

2) Metalwork Structures – carried out by a variation to the existing Grey to Green Phase 1 contract with North Midland.

3) Artists Commissions – small value artwork to be installed in the metalwork structures. This will be via open advert and delegated
8.2 This Procurement Strategy covers all three strands above. Because these works and services are ERDF funded they must be procured following the Council’s standing orders and all relevant EU procurement directives.

8.3 In regard to Foundations and Metalwork Structures it is proposed that these are carried out by a variation to the existing contract on the grounds that it is a non-material change to the existing contract and in accordance with Regulation 72 (b) of the New Procurement Regs, in particular that these additional works ‘have become necessary and were not included in the initial procurement where a change of contractor - (i) cannot be made for economic or technical reasons; or (ii) would cause significant inconvenience or substantial duplication of costs for the CA, provide that any increase in price does not exceed 50% of the value of the original contract’.

8.4 Some of the key advantages and justification of delivery of these works via a variation are:

- North Midland is already on site and having another contractor on site create logistical issues and be much better for NM to oversee.
- North Midland can access the same suppliers as we would and the client would still have access to them via an open book arrangement and discussions on the design aspects.
- There will be savings on procurement costs if North Midland undertakes the procurement and management on our behalf.
- Much quicker procurement route (no suitability assessment or prelims to complete) allowing time to develop detailed design proposals and engage with the metalwork fabricator early in the design process. Could be as early as next week.
- The management of CDM would be picked up under the existing Ph1 contract
- The risk of programming the fabrication and installation period to align to NM’s programme is transferred back to NM to manage as a typical subcontractor appointment.
- Less onerous procurement route for tenderers as they would sign up to NM’s term of conditions and not a JCT Minor Works Contract
- Increased time to evaluate quality with potential bidders
- Increased likelihood of the public art totems being in place at the end of the Phase 1 project as required.

Potential for additional contractor overhead cost, would be offset by a reduction in professional fees.

8.5 However, even though the Council believes we have a strong argument for the variation route, ERDF could still view this as non-compliant and potentially the Council could face claw-back in this specific instance of 25% of the value of the supplementary contract or £31,250. The client (PLACE) will need to provide a contingent sum if there was this worse-
9.0 COMMUNITY SAFETY IMPLICATIONS

9.1 Parts of the Castlegate and Riverside area are characterised by declining footfall, which will be exacerbated as the full impact of the closure of Castle Market are felt. On others such as Snig Hill/Bridge St footfall has increased dramatically but still in a poor environment. It is somewhat an isolated part of the city centre dominated by roads that have very little traffic but still make the area look unfriendly.

9.2 The ‘Grey to Green Phase 1’ project will help to transform the areas image both to investors and to members of the public. This should lead to increased footfall and dwell-time and in turn help improve the perception and therefore safety that people feel.

10.0 EQUALITY IMPLICATIONS

10.1 The scheme will have a positive impact for all sections of the community by creating a more pedestrian friendly environment. In particular older people and people with disabilities will benefit from removal of kerbs, provide wider footpaths and ensuring appropriate materials are incorporated to help blind people navigate.

10.2 A potential pedestrian / cyclist conflict on the proposed shared footpath / cycle lane was highlighted. However, further work took place with the Council’s Access Liaison Group and a design was signed off by the Director of Regeneration and Development Services.

11.0 REASONS FOR RECOMMENDATIONS

11.1 The reasons for the urgency of the public art approval are that the procurement strategy for the scheme (agreed by CPG on 27th April 15 and revised at CPG on the 29th June 15) stipulates a very urgent procurement timetable for the public art works in order to meet the tight deadlines of the funders, European Regional Development Fund (ERDF) in particular. This means this decision is urgent and cannot reasonably be deferred.

12.0 RECOMMENDATIONS

1) Approval of updated public art budget within the Grey to Green Phase 1 project, to be funded through ERDF and SCRIF (outlined in section 7 of the report)

2) Approval of the procurement strategy agreed at CPG on the 29th June 15 (included in Annex A)

3) To grant delegation of authority to the Director of Commercial Services or nominated Officer, as appropriate, to award the
necessary contracts.

13.0  ANNEXES
Annex A – Grey to Green Phase 1, Procurement Strategy
Annex B – Proposed location of Public Art totems

Simon Ogden,
Head of City Regeneration
2 July 2015