



## Report to Policy Committee

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**Report of:** *Kate Martin, Executive Director, City Futures*

**Report to:** *Transport, Regeneration and Climate Committee*

**Date of Decision:** *14<sup>th</sup> March 2024*

**Subject:** *Parkwood Levelling Up Fund Acceptance*

Type of Equality Impact Assessment (EIA) undertaken	Initial <input checked="" type="checkbox"/>	Full <input type="checkbox"/>
Insert EIA reference number and attach EIA		
Has appropriate consultation/engagement taken place?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<p><i>“The (<b>report/appendix</b>) is not for publication because it contains exempt information under Paragraph (<b>insert relevant paragraph number</b>) of Schedule 12A of the Local Government Act 1972 (as amended).”</i></p>		

### Purpose of Report:

The purpose of this report is to provide the context for a recommendation to accept government grant offers from the Department for Levelling Up, Housing and Communities (DLUHC) of £19,389,336 for Parkwood as part of the Levelling Up Fund (LUF). This will fund the project through further feasibility, design and delivery.

**Recommendations:**

*It is recommended that the Transport, Regeneration and Climate Committee;*

- Approve Sheffield City Council acting as the accountable body for £19,389,336 of Levelling Up Fund round 3 funding from DLUHC, in relation to Parkwood Springs, subject to the key terms, responsibilities and risks in the final Memorandum of Understanding being the same as those summarised in this Report.

**Background Papers:**

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.	Finance: <i>Mark Wassell</i>
		Legal: <i>Gemma Beecroft</i>
		Equalities & Consultation: <i>Louise Nunn</i>
		Climate: <i>Kathryn Warrington</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	<b>SLB member who approved submission:</b>	<i>Kate Martin</i>
3	<b>Committee Chair consulted:</b>	<i>Councillor Ben Miskell</i>
4	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.	
	<b>Lead Officer Name:</b> <i>Jo Calcutt-Scott</i>	<b>Job Title:</b> <i>PMO Manager</i>
	<b>Date:</b> <i>05/03/2024</i>	



## 1. PROPOSAL

- 1.1 This report seeks approval to accept £19,389,336 of funding from the DLUHC from the Levelling Up Fund to deliver a package of projects in Parkwood. Funding has been awarded for delivery of proposals set out in the bid documents. Further work is required to firm up the detail of these proposals and additional reports and updates will be brought through the appropriate governance for decision as the projects progress.
- 1.2 Despite best efforts over the past decade, a set of critical constraints have thwarted the redevelopment of Parkwood Springs. These include:
- Physical access to and through the site
  - Basic site preparation to make it safe and ready for new development
  - Basic infrastructure, environmental and public realm improvements
- 1.3 The need for public intervention is evidenced by the failure of proven operators to advance viable development solutions in the past – notably due to these extraordinary up-front transport, infrastructure and site preparation costs.
- 1.4 An open market competition in 2017 identified a preferred development partner. Detailed design and development work revealed a series of complex physical and infrastructure requirements that – taken together – compromised the project’s viability. After successive extensions of the milestone dates in the Agreement to Lease, the Council explored a range of alternative options. Further market testing was undertaken, which reaffirmed that development was unlikely to come forward without a solution to these constraints.
- 1.5 Through that process, a proven international operator advanced a compelling proposal for a ‘Gravity Park’ centred around a state-of-the-art luge attraction, and complementary Pay-to-Play leisure activities. This will be the first of its kind in their global portfolio, with potential to be an international destination, which is fully consistent with Sheffield’s Outdoor City aspirations.
- 1.6 A cabinet report of 15th December 2021 recommended that to take the work forward funds were allocated to undertake site investigation work and site clearance, complete a transport assessment and ecological and environmental assessment and that Officers further develop the proposals for the Gravity Park with the developer.
- 1.7 The Gravity Park’s viability, however, is dependent on public investment to meet these critical access, infrastructure and site preparation requirements.

1.8 The projects included in the bid are as follows;

### 1.8.1 Access

Site access is poor and could not – in its current state – support a leisure development on the site. Central to any development of Parkwood is improved accessibility for all modes of transport (public, vehicular, bike and pedestrian). Consistent with the City’s transport and environmental strategies, these improvements should also seek to incentivise and enable more sustainable modes of travel and reduced energy consumption. Proposed interventions that have been thoroughly assessed and costed include:

- New road access
- Transport hub and bike park
- Investment in interior trails, paths and wayfinding
- Relocation of existing business to enable these improvements

### 1.8.2 Site Preparation

Works are required to make the site safe and suitable for development and to deal with the legacy of past uses. These include the clearance of ski village remains, safe disconnection of old utilities, and the treatment of invasive vegetation. Costed proposals include:

- Clearance of ski village remains, such as old matting and track; lighting and ski lift columns and associated cable runs and ducts; old building foundations; and fly tipped materials
- Safe disconnection of the historic water and electric supplies to the ski village and the capping of old drains
- Treatment of invasive vegetation species, including the fencing off of Japanese knotweed near to public footpaths / rights of way

### 1.8.3 Infrastructure

Targeted infrastructure investment is needed around the site to improve approaches by public and private transport, including vehicular, pedestrian and cycle routes. The current environment at Rutland Road junction is a busy intersection in a former industrial area that would be transformed by enhanced public realm and improved connectivity. The area connects two catalyst housing sites – comprising some 2,500 new homes – identified through joint work with Homes England on Sheffield’s City Centre Vision. The opportunity to enhance this large new community with safe access to a nearby country park should not be missed. These improvements would be based on the Council’s award-winning ‘Grey to Green’ programme for public realm that introduces Sustainable Urban Drainage and planting to mitigate flood risk and increase bio-diversity. Costed proposals include:

- Creation of new public realm and strategic approaches using ‘Grey to Green’ model

- Creation of new fit-for-purpose event space

1.9 This report seeks the approval to accept the funding from DLUHC only. All capital expenditure will be subject to compliance with the Council's budget processes, financial regulations and capital approval process; and the details, risks and financial implications will be included within the individual business cases for each project and submitted for authorisation via the capital approval process. The Council will not commit to any expenditure, and not enter into any match funding agreements or other agreements until the business cases have been approved.

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

2.1 The Levelling Up Fund programme has clear alignment to the Councils Plan:

### **2.1.1 A place where all children belong and all young people can build a successful future.**

- Parkwood Springs will normalise a culture of regular physical activity for children and young people. New facilities in the park will also support learning about natural and environmental sciences.
- Regular physical activity is associated with improved educational attainment. Multiple studies have found that 'children who were more active performed significantly better in writing and mathematics', while physical activity has a 'long term positive impact...on academic attainment in adolescents.'

### **2.1.2 Great neighbourhoods that people are happy to call home.**

- In the absence of a national measure, the Community Needs Index (CNI) serves as a useful proxy. Sheffield's CNI (81.79) is roughly average among the Core Cities, but markedly higher than the national average (68.4), indicating a higher level of community need.
- The Ski Village that previously occupied much of the site was a source of local pride. Since its destruction in 2012, the lack of a sustainable re-use and uncertainty about its redevelopment has frustrated local communities.

### **2.1.3 People live in caring, engaged communities that value diversity and support wellbeing.**

- Sheffield can set a new standard for the creation of a clean and healthy place that encourages more physical activity in the natural

environment. Parkwood Springs is emblematic of that potential.

#### 2.1.4 **A creative and prosperous city full of culture, learning and innovation.**

- Parkwood Springs will create training opportunities at multiple levels. The project will also be an important 'quality of life' anchor for the City's inward investment agenda, which is essential for attracting high-value businesses.

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

3.1 The community has been instrumental in proposing solutions and delivering improvements at Parkwood Springs, including footpath improvements and ongoing maintenance, heathland restoration, an agro-forestry area, woodland management, public events, and a 2km mountain bike trail with over 10,000 users a year.

3.2 The Friends of Parkwood Springs, Friends of Wardsend Cemetery, local schools and many other organisations have led this work. They are united by the same ambition: to create a better environment for people to learn, play and enjoy the outstanding natural environment that Parkwood Springs has to offer.

3.3 Staying true to this spirit of collaboration and co-creation, the City Council has undertaken extensive stakeholder engagement and public consultation in preparing a vision and masterplan for the site.

3.4 Statutory consultees include:

- Historic England
- The Coal Authority
- Sheffield and Rotherham Wildlife Trust
- Friends of Parkwood Springs
- Access Liaison Group

3.5 All stakeholders were generally supportive of the vision and several made constructive suggestions for improvement of the masterplan. These included: changes to improve physical access and site-wide connectivity; a stronger emphasis on biodiversity; and recognition of the site's potential as a regional, if not national tourist destination. The unique nature of the site and strength of the opportunity was recognised by all, with several consultees reinforcing the need to be 'bold' and 'ambitious'.

3.6 A six-week consultation process also produced nearly 300 responses to a detailed questionnaire on the vision. These were collected through public events and online. A detailed Feedback Report is available at Appendix 1. Its key findings are summarised as follows:

- About 85% of respondents are supportive of the vision
- About 88% of respondents are supportive of its specific objectives
- Many cautioned that the area not be over-developed as its main asset is the 'wild' natural environment
- Enthusiasm was conveyed for creation of outdoor sporting activities, including biking trails, walking trails, climbing facilities, extreme sports, educational areas, etc.
- There is a strong desire to have activities for everyone, including families
- Concerns were expressed about the need for on-site parking, especially to encourage access for disabled people
- Significant calls for better access, improved permeability through the site, and better connectivity to surrounding areas
- Requests for additional facilities with public toilets
- Requests for the creation of a 'hub' or park centre, where additional facilities could be located e.g. Toilets, café, seating, equipment hire, children's play, educational areas, etc.

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

##### **4.1 Equality Implications**

- 4.1.1 The investment from the bid will provide the next step in improving job, educational and well-being opportunities for local people. The project will improve open space for recreational and leisure use for existing and future residents in the Parkwood area. The creation of a development site will create an opportunity for commercial and other uses and could open up work opportunities both through the construction phase and in the final occupation of the development plot.
- 4.1.2 Overall the project should have a positive impact, particularly on specific users groups - young people, women, disabled and BAME - supporting these groups to take part in physical activity on the proposed new facility and through the associated programme of activity. The project aims to create thriving community sports clubs led by inspirational, local volunteers which will provide life-changing opportunities for young people whilst creating a positive and permanent resource for the community. The facility within the park will be open and accessible to all and supported by a programme of targeted activities for under-represented groups, providing the opportunity for a range of users from the local community to come together for leisure, recreation and socialising - helping build cohesion in the local community.
- 4.1.3 As has been demonstrated in previous phases of projects at Parkwood Springs positive improvements have a positive impact on the local communities and users of the site - further evidence of impact will be collected through the development of the project (including a full evaluation which will be undertaken as part of the British Cycling funded element of the project).



4.1.4 An EIA has been completed for the project, reference 852, this will be updated throughout the projects development.

#### 4.2 Financial and Commercial Implications

##### **Current Position Regarding Grant Memorandum of Understanding**

4.2.1 Under DLUHC's Levelling Up Fund (LUF) Sheffield has been allocated a provisional grant offer of £19.389m for the Parkwood Springs project. At the moment, DLUHC have not issued any detailed grant terms and conditions. The expectation, based on advice received from the Levelling Up team, is that the terms will be largely in line with those used in the previous round one funding agreements and as such, the implications in this report are based on the previous round one DLUHC grant Memorandum of Understanding (MOU).

##### Key Features of Previous Grant Memorandum of Understanding

4.2.2 There are no clawback provisions within the MOU however the funder holds the right to withhold funding if we fail to evidence delivery. This presents minimal risk to the Council as rigorous reporting mechanisms are / will be in place to evidence delivery. Future business cases will ensure that the reporting arrangements are in line with DLUHC requirements, and information is provided by the third parties where applicable.

4.2.3 SCC are liable for any costs over and above the grant. Again, this presents minimal risk as projects will work within the funding parameters and projects can be scaled to ensure cost overruns are mitigated.. All grant funding must be spent by March 2026, and this will be detailed within the business cases submitted for approval. Current programmes for SCC led projects and third parties all have completion dates within the parameter, the risk of not meeting this is therefore minimal. The grant will be paid in 6 monthly instalments, July and January of each year. Amounts for instalments will be agreed at the start of each financial year and based on the spend profiles of the projects. This allows SCC to have some degree of control over the drawdown of funding and should mitigate the need for the Council to cashflow the projects whilst waiting for funding to come in.

4.2.4 Key features (not exclusive) of the MOU are summarised below. The Grant Manager will need to read, understand and comply with all of the MOU requirements and ensure that there are no ongoing unfunded costs once the project has ended.

#### 4.2.5 Project Outputs/Outcomes

- As set out in Project Output/Outcome Indicators (Annex A)
- Projected Timeline & Key Milestones (Annex A)

#### 4.2.6 Financial Terms

- SCC to use the funding as per the approved application and provide evidence
- Grant paid Jan/Jul on meeting delivery targets
- Project assurance via formal monitoring /reporting
- Application/project management update (PMU) sets out projects details /outputs etc
- Grant paid via S50 UK Internal Markets Act (2020) for capital expenditure only
- Payments require S151 signed Statement of Grant Usage/quarterly return
- DLUHC may adjust/withhold payments if there are delivery issues
- Changes to spending profiles to be approved by DLUHC (not guaranteed)
- SCC responsible for cost over runs/underwriting third party match funding
- The grant must be spent by 31 March 2026
- S151/Chief Auditor to sign a declaration no later than six months after project completion
- Comply with all monitoring/reporting requirements (inc. quarterly reporting)
- DLUHC will provide SCC with the Assurance/ Performance Management Framework
- S151 Officer to provide six-monthly assurance return where appropriate
- SCC to evidence a LUF delivery board / adoption of LUF governance
- SCC to ensure governance /assurance arrangements to include (not exclusive) legal, state aid /subsidy control, procurement, compliance with Fraud Risk Assessment guidance (Annex B)
- Any proposed project changes require advanced funder approval
- Amendments to the MOU require the agreement of both parties
- The MOU is not legally enforceable, but SCC will act to ensure that all the requirements of the MOU are complied with in full.

#### 4.2.7 Match Funding / Other Risks

- For the project to achieve the required outputs/outcomes identified in the bid all parties will need to ensure that their match funding proposals are eligible, available to use and evidenced and that the relevant agreements are developed within the required timescales to reflect this
- All match funding is secured so this represent minimal risk to the Council.

#### 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 become accountable body for the £19,389,336 of funding from DLUHC.
- 4.3.2 It is understood that the Council will be required to sign an MoU to receive the funding. Although the MoU has not yet been provided to the Council it is believed that the terms will be the same as those agreed for previous funding from DLUHC. Key terms have been highlighted above in the financial implications. If the MoU is materially different from those detailed, a further decision will be sought.
- 4.3.3 This report seeks approval to accept funding from the Levelling Up Fund only to deliver a package of projects as outlined, the detail of these proposals will be set out within future additional reports when authority will be sought in relation to expenditure.
- 4.3.4 Subsidy control assessments will need to be carried out in relation to this funding.

#### 4.4 Climate Implications

- 4.4.1 A climate impact assessment has been undertaken for the project and further assessments will be completed as each element of the project moves through the business case process.
- 4.4.2 The project will introduce cycle and walking routes alongside trails and improvements to green space. The project will also create a shovel ready development plot at Parkwood for a future operator, reasonable measures will be undertaken to ensure sustainability is considered at all stages of the development.
- 4.4.3 As part of the new access road and associated public realm SUDs will be introduced where appropriate along with greening of the space.

#### 4.4 Other Implications

- 4.4.1 None identified at this stage but will be detailed in the business cases.

### **5. ALTERNATIVE OPTIONS CONSIDERED**

#### 5.1 Do nothing

- 5.1.1 Not accepting LUF funding would mean foregoing the opportunity to deliver significant capital interventions in Parkwood and the associated economic, environmental and social benefits. No benefits would be

delivered along with no contribution to the Council plan.

- 5.1.2 If the proposed programme does not come to fruition, the impact will be a continued decline in areas that have already suffered years of economic and social deterioration. These areas cannot continue to be ignored, if this funding is lost alternative funding will need to be sought to allow the necessary investment to be made to support the regeneration of these parts of the city.

## **6. REASONS FOR RECOMMENDATIONS**

- 6.1 The preferred option, to accept the funding and deliver the projects within the bid, takes advantage of an opportunity to regenerate a key part of the city. The funding will allow us to deliver improvements that residence, business owners and other key stakeholders are keen to see happen and will make a real difference to the local communities.
- 6.2 It is therefore recommended to approve Sheffield City Council acting as the accountable body for Levelling Up Fund 3 Parkwood Springs subject to the key terms, responsibilities and risks in the final grant agreement being the same as those summarised in this Report.