



Author/Lead Officer of Report:
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Report of: Executive Director of Place

Report to: Executive Member for Climate Change,
Environment and Transport

Date of Decision: 9th December 2021

Subject: Transforming Cities Fund Housing Zone North –
acceptance of SCR stage 2 funding

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Executive Member Portfolio does this relate to? Climate Change, Environment and Transport		
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny Management Committee		
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? 641		
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:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

The purpose of this report is to provide the context for a recommendation to accept a government grant offer from the Sheffield City Region of £1,287,587 of funding, as part of the Transforming Cities Fund (TCF) Tranche 2 stage 2. This will fund further design development to take the project to final business case stage.

Recommendations:

It is recommended that the Executive Member for Climate Change, Environment and Transport:

- Approves the Council accepting the grant offer from the Sheffield City Region of £1,287,587 of funding, as part of the Transforming Cities Fund (TCF) Tranche 2 stage 2.
- Approves the Council entering into the grant agreement with Sheffield City Region as outlined in this report.

Background Papers:

- Appendix 1 Connecting Sheffield: Neepsend – Kelham – City Centre Consultation and Engagement Report March 2021
- Appendix 2 Sheffield City Region Outline Business Case

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: Duncan Cruickshank / Mark Wassell
		Legal: Gemma Day
		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	EMT member who approved submission:	Mick Crofts
3	Executive Member consulted:	Cllr Douglas Johnson: Executive Member for Climate Change, Environment and Transport
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 Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Matthew Reynolds	Job Title: Transport Planning and Infrastructure Manager

Date: 22nd November 2021

1. PROPOSAL

- 1.1 This report seeks approval to accept funding from the Transforming Cities Fund to deliver the next stage of the TCF Housing Zone North (Kelham Active Travel and Public Transport) project.
- 1.2 Sheffield City Council are seeking to enhance transport connectivity between the areas of Kelham Island, Neepsend and Burngreave by enhancements to active travel infrastructure, and from those areas to the city centre by active travel modes and public transport. Priority for public transport will enhance journey times to and from the city centre along the corridor in the direction of Hillsborough and beyond.
- 1.3 The lack of infrastructure to promote walking and cycling from Neepsend via Kelham Island into the City Centre means that there is a dependency on the private car for short journeys. This contributes to the congestion, delays, inefficiencies and poor air quality in the north east of the city and city centre.
- 1.4 Poor bus reliability resulting from a lack of dedicated facilities for bus services is contributing to the ongoing decline in bus patronage across the city and the wider city region. Through prioritising buses over general traffic routes become faster and more reliable and provide a viable alternative to the car.
- 1.5 Car usage for travel to work remains high in Sheffield, with 62% of all journeys to work using a car, as either a passenger or driver. This trend has increased since 2001 which is contrary to the general UK trend of decreasing car use. This supports the need for investment in sustainable transport to reverse this trend and encourage mode shift from private cars to all modes of sustainable transport.
- 1.6 Research conducted with Sheffield residents during consultation on the Council Transport Strategy included questions to understand preferred modes across a sample of respondents. This evidence demonstrates that there is a desire by current car users to make more journeys by active travel (14% stated active travel as their ideal mode) and public transport, of which 18% stated bus as their preferred mode. Through investment in some of the barriers to use of walking, cycling and buses (through dedicated, safe active travel routes and fast and reliable public transport) there is a major opportunity to influence the travel choices of residents of the city.
- 1.7 The outputs include:
 - Delivery of improved walking and cycling infrastructure;
 - 5 junction improvements
 - 2 bus gates
 - 0.11km of bus lane / bus priority
 - 6 new bus stops
 - 2km of fully accessible cycle route
 - 0.75km segregated cycle track
 - 1 cycle gate

- 13 road humps
- 5 improved pedestrian crossings
- 17 new pedestrian and cycle crossings

1.8 Approval for spend will be sought through the Council's capital approval route. In summary, the works in relation to this scheme will be competitively tendered using YORCivil frameworks. The contract will be a 2-stage design and build NEC contract.

Stage 1 - professional services contract and conclusion of design to allow agreement of second stage (construction) costs.

Stage 2 - deliver the construction/delivery phase.

1.9 This grant will be used for the Stage 1 works and has a spend deadline of March 2023. Sheffield City Region have only approved funds to progress the scheme to final business case stage and further approvals will be required prior to commencement of the Stage 2 construction stage.

1.10 The works must be delivered in line with the terms and conditions of the grant agreement which are outlined in this report.

1.11 The business case references previous transport improvements at Bridgehouses, the commitment to the redevelopment of West Bar and other smaller scale interventions that are taking place in the area to support the wider outcomes of the project. The business case notes all of these and had been subject to a full economic and financial appraisal via the Sheffield City Region Assurance Process. The business case was subsequently approved and £1,287,587 has now been granted by SCR to further develop the project.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 The proposals align well with national planning and transport policies (The Industrial Strategy, National Planning Policy Framework), regional plan (Strategic Economic Plan, Active Travel implementation Plan) as well as Council policies (Council Transport Plan, City Centre Plan).

2.2 Neepsend and Kelham Island are key development areas identified within the city for housing growth, with 8,000 new homes planned over the next 20 years. Without investment in sustainable travel there is a risk that these sites will not come forward as quickly as would be the case if they are better connected. Reducing car dependency from day one of these houses being delivered fits with the Sheffield City Region and Council transport strategies.

2.3 This project contributes towards the delivery of 'Net Zero by 2030' by the following:

- The provision of active travel, public transport and the prioritisation of these modes in the central area. Encouraging an increase in journeys made by low carbon sustainable modes by: Promoting active travel, health and wellbeing. Improving the resilience and reliability of the public transport network.

- Tackling air pollution and reducing carbon emissions within the city centre and wider urban areas.
- The B£ST software was used to assess the blue-green infrastructure impacts of the scheme. The elements included in the assessment are amenity, biodiversity, carbon, education, groundwater, health, noise and waste management. The project was found to have a positive impact on Local Air Quality, Biodiversity, Water environment and enhanced townscape.

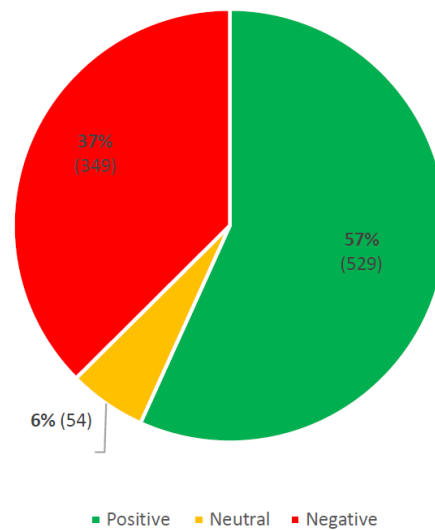
2.4 The benefits include:

- Continuity of active mode infrastructure into city centre and connections with other routes beyond.
- Supports the regeneration of Kelham Island and Neepsend and promotes low traffic neighbourhood.
- A continuous route connecting with the city centre.
- Improved public transport reliability.
- Mode shift to walk and cycling for short and longer distance trips into the city centre.
- Improved environment for all road users.
- Improved health and wellbeing.
- Improved air quality.
- Mitigate congestion.
- Reduction in deprivation.
- Support retention/growth of businesses.
- Support delivery of housing growth.
- Core BCR 1.88:1, meaning £1.88 of social benefits for each £1 spent over the 60 year life of the scheme.

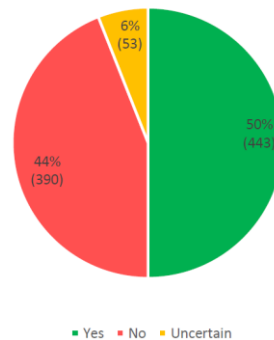
3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Extensive consultation has been undertaken. This included 932 people who responded via the CommonPlace website:

Commonplace Tile average respondent sentiment



In the future, post Covid-19, do you see yourself walking or cycling MORE to access Neepsend, Kelham and the City Centre as a result of these proposals?



When respondents were asked what they liked about this scheme, “more attractive environment” was selected 481 times, “safer to walk and cycle” was selected 475 times, and “greener streets” was selected 448 times. This was a multiple-choice question.

When respondents were asked what they disliked about this scheme, a blank response was submitted 320 times, “reduced access for through traffic” was selected 277 times, and changes to routes for motor vehicles was selected 252 times. Again, this was a multiple-choice question. See appendix 1 for the full consultation results.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

An EIA has been undertaken at TCF programme level. Overall, if successful the Transforming Cities proposals will support the city's and region's goals; residents

and businesses connected to economic opportunity, a cleaner and greener city, and safe, reliable and accessible transport network. It will contribute to Sheffield developing a transport system that works for everyone, connecting people to the places they want to go.

This should have a particular positive impact for health & wellbeing, women and financial inclusion. By supporting the development of public transport, walking infrastructure and cycling infrastructure that reduces barriers to transport, the plan will play a key role in developing better access to jobs, training, education, health care and leisure activities across Sheffield.

The individual projects identified, such as the Housing Zone North scheme, will require full business cases and as part of that, a scheme specific Equality Impact Assessments will be completed to demonstrate its impact. These will show if there are any impacts on specific communities and how this has been consulted on and how any potential negative impacts will be mitigated, where possible. The early engagement on the outline designs have already started to develop our understanding of these issues. Including direct discussion with businesses, residents and user forums (including disability groups).

An EIA for this scheme will be undertaken prior to final business case.

There are no significant differential, positive or negative, equality implications arising from the recommendations in this report. The capital interventions are anticipated to 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.

4.2 Financial and Commercial Implications

4.2.1 Financial Implications

Key features (not exclusive) of the SCR Grant Agreement (£1.287m) are summarised as follows:

- Start, end & review dates: 01/08/2019 to 01/03/2023 (Closure Date)
- Purpose: To facilitate development to Stage 2 Full Business Case (FBC)
- The grant is for Capital expenditure only.
- No significant changes to the Project Development Works without SCR written agreement.
- Maximum grant amount £1,287,587.
- Grant is repayable in the event of breach of the grant terms (see details in grant agreement).
- SCC cannot recover more than salary+35% on-costs for internal project admin.
- Claim forms are on the basis of reimbursement of Qualifying defrayed Expenditure, quarterly in arrears within 30 working days
- No VAT to be included in claims.

- SCC will have to meet any costs required above the Grant amount to ensure Special Conditions adhered to and Outputs met.
- SCC to ensure delivery of the Outputs by the Submission Date (01/12/22)
- Comply with Special Conditions relating to fully updating the FBC including but not limited to Options, Sensitivity, etc.(see grant agreement for details)
- SCC to acknowledge that if Grant is to be repaid to Authority that SCC will be fully liable for any costs, expenses & damages incurred as a consequence of Grant repayment.
- Retention and maintenance of records for a minimum of six years following completion of the Project.

Estimated FBC costs to be funded by the grant are summarised in the Table below:

Cost Item	Details	Total (£)
Final Business Case Development Costs	SCC Transport Client fees	£100,000.00
	SCC CDS Project Manager fees	£110,000.00
	SCC TTAPs engineer fees (design)	£25,000.00
	T&T Cost manager fees	£85,000.00
	SCC Commercial Services fees Procurement Strategy	£1,000.00
	SCC HMD fees	£51,297.76
	SCC UED fees (design)	£10,000.00
	SCC CDS Principal Designer	£15,000.00
	SCC Delivery Partner - Clerk of Works	£90,000.00
	SCC UTC Signal client fees	£25,000.00
	SCC External Funding Team	£1,550.00
	SCC Fees adoption of land into highway	£7,500.00
	SCC TRO fees	£7,500.00
	Road safety audit 3	£5,000.00
	Amey works assurance fees and traffic signal commissioning	£260,272.00
	Benefits realisation fees	£15,000.00
	Fees obtaining C2, C3, C4	£15,000.00
	Client feasibility costs	£325,967.00
	Modelling fee (between OBC and FBC)	£50,000.00
	Advanced utility payments (75%)	£187,500.00
Eligible Cost Total		£1,287,586.76

4.2.2 Estimated Project Costs (Stage 1-3)

The current estimated costs / profile for the whole project (Stage 1-3) are summarised in the table below:

Stage 1 (£)	Stage 2 (£)	Stage 3 (£)	TOTAL (£)
£188,360	£1,287,586	£9,535,568	£11,011,514

The SCR grant of £1.287m will fund and deliver a Full Business Case (FBC) that will develop further clarity and details on costings, deliverability, value for money, financial risks and funding proposals etc. prior to any further project / stage approvals by SCC.

The FBC will investigate all options for private and/or third party funding sources and also SCC's own match funding proposals which initially are anticipated to include in kind contributions and the completion of complementary projects. Please note that at this stage in negotiations with SCR, they have indicated that they do not anticipate further/detailed match funding sources will be needed. All proposed sources of project funding will need to be eligible to use, evidenced, agreed with SCR and fully compliant with SCR grant terms and conditions.

4.2.3 Commercial Implications:

All public sector procurement is governed by and must be compliant with both the Grant Agreement and UK National Law. In addition, all procurement in SCC must comply with its own Procurement Policy, and internal regulations known as 'Contracts Standing Orders' (CSOs).

CSO requirements will apply in full to the procurement of services, goods or works utilising grants. All grant monies must be treated in the same way as any other Council monies and any requirement to purchase / acquire services, goods or works must go via a competitive process.

The Project / Grant Manager will need to develop a viable exit strategy for when the grant funding ends to ensure that there are no unfunded ongoing costs.

The Project / Grant Manager will need to read, understand and comply with all of the grant terms and conditions.

4.3 Legal Implications

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 which enables the Council to accept the grant of up to £1,287,586.76 from the Barnsley, Doncaster, Rotherham and Sheffield Combined Authority (SCR).

If a decision is made to accept the grant, then the Council will be required to enter into a grant agreement (the Agreement) with SCR.

The grant provided by SCR is to be used only for capital expenditure, specifically the eligible costs set out in the Agreement and in accordance with the terms and conditions detailed in the Agreement.

Key points to note from the Agreement are:

- No significant changes should be made to the works or the project without SCR's prior written approval.
- The grant must be delivered in accordance with the key dates and delivery milestones.
- The Council must meet any costs required above the maximum grant amount to ensure that the special conditions are adhered to and the outputs met.
- The Council must have in place full and unequivocal approval to proceed to Full Business Case.
- The Council must publish and publicise the Outline Business Case on the Council's website for 3 months prior to submission of the Full Business Case.
- There are a number of special conditions that need to be met prior to the Full Business Case submission and then further special conditions that must be met prior to the Full Business Case. These include but are not limited to submission of distributional impact assessment, assessment of project risks, response to subsidy control opinion in Full Business Case. Officers must ensure that all of these conditions are able to be complied with.
- The grant can be reduced, withdrawn, suspended or requirement repayment in specific circumstances.

The Council must comply with all applicable legislation and regulations including but not limited to the Public Contracts Regulations 2015, UK GDPR, the Data Protection Act 2018 and Subsidy Control.

The grant to the Council is not deemed to be an unlawful subsidy. If any details around the project change then this will need to be re-assessed.

4.4 Other Implications

As demonstrated by mapping 2011 census deprivation data, parts of Neepsend and Burngreave are identified as meeting 4 dimensions of deprivation. This

measure includes employment, education, health and disability, and household overcrowding. Levels of deprivation in these areas can be positively influenced by improved access to employment, education and healthcare within the corridor and the city centre.

The walking interventions are based on the priority route identified in the Local Cycling Walking Improvement Plan, Burngreave being an area of multiple deprivation with lower levels of walking to work despite proximity to City Centre and relatively high level of unemployment. In addition, place making work has been already carried out along parts of the corridor and there is an opportunity to link to Parkwood Springs development. The recent upgrades to the Bridgehouses Inner Ring Road junction will be the landing point for improvements to pedestrian connections from Burngreave.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing

Not accepting SCR / TCF funding would mean foregoing the opportunity to deliver significant capital interventions along in the Kelham Island, Neepsend and Burngreave areas and the associated economic, environmental and social benefits. Internal resourcing available for other schemes. No benefits delivered, no contribution to climate resilience.

If the proposed scheme does not come to fruition, the impact will be an exacerbation of traffic-related problems. Furthermore, air quality issues associated with traffic congestion will persist, limiting the ability of local people to lead healthy lives and reducing the ability to achieve local, City Region and national emissions targets. The scheme will also introduce improvements in public realm which incorporate resilience to climate change and the deliverability of a liveable, attractive space. These objectives will be severely compromised if the scheme doesn't progress.

6. REASONS FOR RECOMMENDATIONS

6.1 The preferred option provides the opportunity to link into the other proposals in the city centre and directly onwards to the Attercliffe corridor. The preferred option delivers the transformational aspects of the funding requirements. The project will deliver the benefits described in section 2.4.

6.2 It is therefore recommended that approval is given to progress the next stage of the project.