

Policy Committee Decision Report

Title of Report:	Gleadless Valley Masterplan Refresh and Delivery Plan
Date of Decision:	29th August 2024
Report To:	Strategy and Resources Policy Committee
Report Of:	Kate Martin, Executive Director, City Futures
Report Author:	Matthew Nimmo, Interim Advisor Housing Growth

Executive Summary: Report seeking approval for an improved approach to regeneration in Gleadless Valley that better works alongside the community, investors and partner organisations to see the ambitions in the Gleadless Valley Masterplan come to fruition. The proposal is to develop a One Council and partnership working approach to the delivery of the Gleadless Valley Regeneration Programme in order to unlock and accelerate delivery of housing and green space improvements and deliver sustainable social and economic benefits to the local community. The proposals include an improved approach to regeneration, a new delivery structure to drive social and economic regeneration and new governance arrangements to facilitate partnership working.



Council Plan outcomes:

[Great neighbourhoods that people are happy to call home](#)

[People live in caring, engaged communities that value diversity and support wellbeing](#)

[A creative and prosperous city full of culture, learning, and innovation](#)

[A city on the move – growing, connected and sustainable](#)

Policy Committee remit:

This report is to be considered by the Strategy and Resources Policy Committee as its remit includes responsibility for any issue identified as being of significant strategic importance or financial risk to the Council (which is considered to be by its nature cross-cutting).

Does the report contain confidential or exempt information?

No

Recommendations:

The Strategy and Resources Policy Committee is recommended to:

1. Note that due to rapid build cost inflation, the existing Gleadless Valley Masterplan proposals previously approved in 2022 are no longer deliverable within the allocated Council budget and that delivery of the housing and green space improvements has stalled.
2. Approve the development of an improved approach to regeneration in Gleadless Valley involving working across the council, with voluntary and community groups and with delivery and investment partners to bring additional expertise, capacity and funding into the programme.
3. Agree that the current approved Gleadless Valley Masterplan proposals should be reviewed and updated to reflect the new approach to regeneration. The review should also consider the potential for physical improvements to housing and open spaces to be complemented by social and economic interventions to address the high levels of deprivation in the area and build thriving communities. Once the review is complete the draft revised proposals to be brought back to the appropriate Council Policy Committee for consideration and approval.
4. Agree that a Delivery Plan for the updated Gleadless Valley regeneration proposals should be developed over the coming year in partnership with the local community and potential delivery partners and investors. The Delivery Plan, once drafted, to be brought to the appropriate Council Policy Committee for consideration and approval, at which point the full financial implications and risks will be considered.
5. Agree to the establishment of a new Gleadless Valley Regeneration Board, bringing together residents, local community organisations, delivery partners and Council representative with the purpose of advising on the overall strategy for Gleadless Valley and aligning stakeholders to deliver the vision.
6. Agree that residents living in blocks that are identified in the existing masterplan for demolition or remodelling should be informed that the plans for their blocks are being reviewed and may change.
7. Approve the transfer of £662,300 from the Gleadless Valley Housing Revenue Account Capital Allocation into a Gleadless Valley Housing Revenue Account revenue budget to cover additional expenditure in the current financial year to implement the new approach to regeneration and develop the Delivery Plan.

Financial Implications: Yes. Approved by: Paul Foster

Legal Implications: Yes. Approved by: Rebecca Lambert

Equality and Inclusion Implications: Yes. Approved by: Louise Nunn

Full Equalities Impact Assessment completed with EIA number: 2255.

Climate Change Implications: Yes. Approved by: Katy Mennell

Background Papers: None

Appendices: Appendix A – Draft Governance and Delivery Structure

1. Background to the issue

- 1.1 Sheffield City Council (the Council) adopted the Gleadless Valley Masterplan in September 2022 following four years of consultation and co-design with the local community. The masterplan proposes a range of improvements to council homes, ranging from refurbishment through to redevelopment along with improvements to green and public spaces, services and facilities and skills and employment opportunities.
- 1.2 Since adoption of the masterplan in 2022, a Gleadless Valley Regeneration team has been recruited which has developed relationships with the local community, delivered some 'quick win' activities and progressed feasibility work for the housing and open space improvements outlined in the masterplan.
- 1.3 Unfortunately, feasibility work has identified that the costs of delivery of the masterplan would be far higher than originally estimated by Turner and Townsend cost consultants in July 2019, largely due to rapid construction cost inflation plus additional costs that were not included in the original estimates. It is now estimated that the total cost of delivering all elements of the masterplan could be as high as £195M (taking account of inflation to date and over the next 11 years of delivery) compared to an original budget of £94m which was approved by Cabinet in 2021.
- 1.4 Of the original budget, £53m was allocated from the citywide Stock Increase Programme (SIP) for new development, made up of approximately 60% borrowing from the Housing Revenue Account (HRA) and 40% from other resources, including Homes England grant funding. The SIP programme is regularly reviewed and adjusted taking into account feasibility work on potential development sites and funding availability. The latest position for the SIP programme was set out in the Capital Strategy and Budget Book report to the Strategy and Resources Committee on the 21st February 2024 and subsequently approved by Full Council on the 6th March 2024. The total budget for the SIP programme remained the same as previously but - due to construction cost inflation - fewer homes will be able to be delivered through the programme than previously forecast. The report included an indicative list of sites for planned and potential SIP investment. The Gleadless Valley sites were omitted from this version of the programme as initial feasibility work on these sites suggested very high construction costs (due to topography and other issues). Nevertheless, the programme is not fixed and sites within Gleadless Valley could be included in future iterations of the programme and Capital Strategy subject to financial viability.

- 1.5 Due to insufficient funding, delivery of the major capital works proposed within the masterplan have stalled. Rehousing discussions with the first residents to be affected were scheduled to begin in 2023 in order to inform the detailed brief for the first phase of redevelopment but this has not been possible. There is significant frustration among residents, many of whom are living in poor housing conditions and waiting for improvements or a new home.
- 1.6 There is also a need to establish a delivery route for the masterplan's aspirations for better local shops, services and facilities, which were identified as a priority by residents. The choice and quality of shops and services in Gleadless Valley is very limited and the environment of local centres very poor, impacting negatively on resident wellbeing (e.g. healthy food options) and perceptions of the area. Ongoing fly tipping and anti-social behaviour issues at Newfield Green shopping precinct have proved difficult to address due to fragmented ownership by distant landlords.
- 1.7 Residents in Gleadless Valley face significant social and economic challenges:
- 69.5% of households within the masterplan boundary are identified as deprived on at least one index of deprivation compared to 55.6% across Sheffield, and 51.7% across England and Wales.
 - Economic inactivity, is high, standing at 47.9% of residents compared to 43% citywide. 29.3% of Gleadless Valley residents have no qualifications compared to 19.4% citywide.
 - 25% of residents are disabled compared to 19.7% city wide. 8.1% of residents in are categorised as having bad or very bad health, whereas the citywide average is 6%.
 - Vehicle ownership is low with only half of households owning a car compared to 71% citywide.
 - There is a high turnover of residents. Of all areas of the city, Gleadless Valley had the highest number of new tenancies started over a 10-year period, reflecting the low desirability of much of the council housing on the estate.
- 1.8 Improvements to housing, public space, shops and services will benefit local residents, but sustainable social and economic change will require other issues to be addressed including worklessness, low skills, educational attainment, poor health, food insecurity, community cohesion, crime and anti-social behaviour. The masterplan includes aspirations for skills and employment initiatives and for community projects, but a wider community

wellbeing strategy is needed to create thriving communities in Gleadless Valley.

2. Proposal

2.1 Proposed delivery approach

2.1.1 Scaling back the masterplan to meet the Council's budget would fail to deliver meaningful change for Gleadless Valley residents.

2.1.2 Instead, it is proposed that, in line with the Council's new mission 'together we get things done', the Council adopts a twofold delivery strategy:

a) A 'whole council' approach that will target and tailor existing services and spending to deliver improvements for Gleadless Valley residents, driven by senior leadership within the council.

b) A partnership approach, working with local community organisations, strategic partners and patient investors to unlock delivery. We will seek to use the Council's limited budget to seed fund and de-risk the Valley for external investment from the likes of: Housing Associations, Institutional investors, the South Yorkshire Mayoral Combined Authority, Homes England and third sector organisations.

2.1.3 To enable this approach, a new governance and delivery structure will be established, bringing together residents, local stakeholders and relevant services across the Council through partnership working arrangements (see draft structure diagram at Appendix A). This will include:

- Six themed workstream groups (combining community groups, partners and Council representatives), each led by a senior staff member from the most relevant service within the Council, between them covering all the elements of a comprehensive approach to the regeneration of Gleadless Valley.
- A dedicated Gleadless Valley Head of Project Delivery (Estate Regeneration) post to provide senior leadership to the programme, engage strategic partners, secure additional funding and give confidence to the Council leadership, local members and the community.

- A Gleadless Valley Regeneration Board with the purpose of advising on overall strategy for Gleadless Valley and aligning stakeholders to deliver the vision. It is proposed that the Board will comprise local residents, representatives of local community organisations and other relevant stakeholders plus the following council members and officers:
 - Chair of the Strategy and Resources Committee
 - Chair of the Housing Committee
 - Chair of the South Local Area Committee
 - A local ward member
 - Executive Director City Futures
 - Executive Director Neighbourhood Services.

The Regeneration Board will have the ability to co-opt additional members or attendees in order to ensure the Board includes expertise relevant to all aspects of the programme as it develops.

- A Gleadless Valley Delivery Group with the purpose of driving the refresh process, overseeing the development of the Delivery Plan and monitoring performance of each workstream. The Delivery Group will comprise senior officers from council services responsible for delivering each of the workstreams plus delivery partners as they are brought on board.

2.1.4 Each workstream lead will be responsible for developing a Delivery Plan for their element of the masterplan in close partnership with the local community and stakeholders. The Delivery Plan will set out a refreshed programme of Gleadless Valley projects and detail how each project will be funded and delivered, including through partnership delivery.

2.2 Workstream 1. Planning and Development

2.2.1 The aim of this workstream will be to refresh, and progress to feasibility stage, the proposals in the masterplan for new build housing and enabling infrastructure, taking into account:

- New development sites (former Sheffcare sites) that were not available when the masterplan was adopted.
- Adjacent development opportunities such as Norton Aerodrome.
- Any additional development opportunities resulting from the Refurbishment and Sustainability workstream in terms of the long-term viability of the existing housing.

- The potential for a more ambitious approach to the regeneration of the local centres at Newfield Green and Gaunt Road. We will assess the feasibility of comprehensive, high quality regeneration projects at these key locations that would deliver new shops and facilities alongside high quality, low carbon, mixed tenure housing showcasing the best in contemporary living at gentle density and in harmony with nature.

Development projects would seek to be catalysts for social and economic change, raising perceptions of the valley, attracting further investment and providing new employment and training opportunities for residents.

- 2.2.2 The Delivery Plan for this workstream will outline how each development site will be built out and managed once built. In order to unlock delivery through external funding, it is expected that some sites will be delivered through a development partner.
- 2.2.3 New housing may involve a diversification of tenures. This would provide a wider range of housing to meet local need, improve development viability and would lead to increased local spending power to support retail viability. However, the masterplan principle of an increase in affordable housing would be respected and a local lettings policy would ensure displaced residents would be offered a new affordable home in Gleadless Valley to meet their needs with the same security of tenure as they currently have.
- 2.3 Workstream 2. Refurbishment and Sustainability
- 2.3.1 One of the aims of the existing masterplan is to ‘invest in green design and technology to improve the energy efficiency of homes and contribute to the Council’s climate change commitments’. The masterplan proposes that maisonettes that are not identified for replacement or remodelling benefit from an external refurbishment programme, although this only includes thermal improvements for some blocks and there are no proposals to improve houses.
- 2.3.2 This workstream will involve working with local residents to review the housing refurbishment and remodelling proposals within the masterplan with the aims of:
- Aligning investment from the masterplan budget with the Council’s city-wide housing investment programmes in order to secure maximum impact for Gleadless Valley residents.

- Developing proposals that are affordable within the masterplan budget.
- Prioritising spending on homes based on best value for money in terms of addressing the worst building conditions, addressing resident concerns, preventing damp and mould, reducing fuel poverty and tackling climate change.
- Identifying buildings where redevelopment rather than refurbishment would be the right option in terms of long-term value for money, carbon impact and regeneration potential.
- Ensuring any works contribute towards the Council's climate change targets and are future proofed for further works towards net zero.

2.3.3 The Council has set out its ambitions for a 'Net Zero Neighbourhood' pilot in the Cities Commission for Climate Investment (3Ci) UK Net Zero Neighbourhoods Prospectus (December 2023). Investing in energy efficiency measures and other initiatives such as local renewable energy generation could bring significant benefits to residents in terms of warmer, damp-free homes. It could also generate financial returns in terms of reduced energy costs and potential building maintenance savings. The combination of social and financial returns and council match funding could attract investors (including impact investment funds) to provide the up-front investment needed.

2.3.4 In order to develop this approach, a small number of homes within Gleadless Valley will be selected for a 'deep retrofit' pilot. This will involve working with local residents, 3Ci and strategic partners such as energy companies and institutional investors to design and deliver a high standard of energy efficiency for these homes, funded through a long term 'invest to save' model. The aim will be to demonstrate successful retrofit designs for housing typologies in Gleadless Valley, raise environmental awareness, develop the supply chain, invest in green skills and test an investment model that could be applied to other parts of Gleadless Valley or Sheffield.

2.3.5 A key principle of this workstream will be that housing investment should not increase residents' total energy costs.

2.4 Workstream 3. Green and Blue Spaces

2.4.1 The landscape is one of the Gleadless Valley's greatest assets, featuring ancient woodlands, wildflower meadows and waterways that are key parts of the city's green heritage, ecologically important and provide amenity space for local residents.

Residents value the environment highly and there is a very active group of wildlife volunteers (the Gleadless Valley Wildlife Trust) but some of the green spaces suffer from antisocial behaviour, speeding motorbikes and litter.

- 2.4.2 The masterplan includes a high level Shared and Green Space Strategy which aims to increase the health and well-being benefits for the valley's residents through engaging them in the care of the green spaces, supporting community food growing schemes, increasing the provision of formal sports and play facilities and improving accessibility to and through its green spaces and woodlands.
- 2.4.3 This workstream will involve developing the Shared and Green Space Strategy into a Landscape Masterplan for the valley and establishing deliverable projects to deliver the plan. Given the limited council funding available, there will be a strong focus on working with partners who can help secure capital investment (for example through lottery funding bids) and play a long-term role in managing and maintaining natural assets, for example by mobilising volunteers or creating nature-related income generation opportunities.
- 2.4.4 Anti-social behaviour is recognised as a key issue for local residents and businesses and will be a focus of this workstream, with an approach that will aim to combine physical interventions to ensure public spaces are safer (for example through natural surveillance and increased use), provision of youth activities and engagement and a multi-agency approach to preventing and addressing ASB incidents (building on the existing work of the Sheffield Community Safety Partnership, Local Area Committees and Community Action Groups).
- 2.5 Workstream 4. Employment, Skills and Enterprise
- 2.5.1 The aim of this workstream is to deliver on the masterplan's vision for more Gleadless Valley residents to be in paid employment and progressing in the workplace and for educational attainment and adult skill levels to be raised.
- 2.5.2 An employment and skills delivery plan will be developed to understand the needs and aspirations of Gleadless Valley residents and provide access to provision tailored to those needs.
- 2.5.3 We will also ensure that the employment and business opportunities arising from the wider Delivery Plan proposals are maximised for local residents. This will include working closely with Workstreams 1 and 2 to secure local labour, apprenticeship and supply chain opportunities for the construction work.

2.5.4 Building on work already underway with local schools, we will work with local young people to raise aspirations and support their ambitions including opportunities to contribute to the regeneration of Gleadless Valley.

2.6 Workstream 5. Community Engagement and Wellbeing

2.6.1 This cross-cutting workstream will ensure that partnership working and community engagement are fully integrated into all of the other workstreams and aligned with the work of the South Local Area Committee. The intention is to develop each workstream in genuine partnership with the local community. To facilitate this, where significant input is sought from community organisations or leaders, this input will be recognised and rewarded financially as it would be for a private sector partner.

2.6.2 It is recognised that there is a degree of ‘engagement fatigue’ among local residents along with frustration that the masterplan delivery has been delayed. This workstream will include a communications plan to ensure all local residents are informed about what is happening and a community engagement approach that will offer meaningful and fulfilling opportunities to get more involved for those who want to do so.

2.6.3 This resident-centred approach will be extended to a community wellbeing programme to ensure the regeneration programme leads to tangible lasting improvements in people’s lives. An evidence-led public health approach will be taken which will involve multi-agency working to understand individual needs and empower residents to make improvements to their lives and the local area and enhance community capacity, cohesion and wellbeing. The programme will build on existing initiatives in the area around health, food, money, children and young people and align with emerging policy and practice through which the council is seeking to work differently with Voluntary, Community and Faith sector partners in ways that support and value their unique role (e.g. work on Community Anchors and the Community Buildings Review).

2.7 Workstream 6. Impact, Evaluation and Legacy

2.7.1 This cross-cutting workstream will establish a robust impact and evaluation framework for the Gleadless Valley masterplan in order to ensure the Council’s investment makes a measurable long-term difference to quality of life for local people. The framework will ensure all workstreams are aligned around shared outcomes linked to the City Goals and Council Plan, will allow tracking of progress in meeting those outcomes and will ensure value for

money by quickly learning lessons from interventions and making adjustments to the regeneration programme accordingly.

- 2.7.2 This workstream will also be responsible for ensuring that there is a robust legacy strategy for every element of the masterplan, ranging from long term stewardship arrangements for public spaces through to financially sustainable community anchor organisations to continue the wellbeing programme.

2.8 Delivery timescales

- 2.8.1 The existing masterplan included only very indicative timescales for delivery, with the housing works divided into five areas and provisional dates identified over the period 2023 to 2029 for starting rehousing discussions with directly affected residents for each of the areas. Shared and green space projects ‘will follow on from the housing developments on an area by area basis to keep disruption to residents to minimum’.

- 2.8.2 Even if sufficient funding were in place, there would be a significant period (up to around two years) of feasibility studies, design and procurement before any capital housing works would start on site. Where rehousing of tenants and acquisition of leasehold interests is required, that would add additional time.

- 2.8.3 The proposed new approach to securing funding to deliver the masterplan aims will require additional work and time, but wherever possible identification of delivery partners and investors will be undertaken in parallel with feasibility and design work to minimise further delays to the regeneration programme.

- 2.8.4 The Delivery Plan will set out detailed timescales for delivery. At this stage, a highly indicative updated timetable for the housing elements of the programme is set out below:

Housing condition surveys and refurbishment feasibility studies	Autumn 2024 – Spring 2025
Consultation on refurbishment and development proposals/options	Spring/Summer 2025
Procurement of development partner(s)	Summer/Autumn 2025
Start on site refurbishment works	Spring 2026
Planning applications	2026
Start on site first phase new housing developments	2027

- 2.8.5 The most affected residents are those living in blocks that are identified in the masterplan for redevelopment or remodelling. It is very hard for these residents to plan for the future (e.g. making



home improvements, applying for school places) as they are waiting for definitive timescales for the works to their blocks, which in the case of redevelopment will involve them moving home. Subject to committee approval of this report, it is recommended that we write to these residents to inform them that the plans for their blocks will be reviewed over the coming year and may change or not progress. This will not provide certainty but will give some indication of the timescale for a decision and is an honest summary of the situation given that we intend to review and refresh the masterplan proposals and that insufficient council funding is available to deliver these works and considerable uncertainty about the ability to secure external funding.

2.9 Continuing activity on the ground

2.9.1 Although the major capital works have stalled, the Gleadless Valley Regeneration Team is delivering smaller scale, short term improvements to the physical environment and a range of social and economic initiatives along with a programme of community events and activities. Current projects include:

- New football pitches at Hemsworth Playing Fields
- Play and greenspace improvements at Spotswood
- Demolition of disused Sheffcare buildings ready for new development
- Employment and skills initiatives
- Recruitment of school ambassadors
- Providing temporary premises on peppercorn rent in a council-owned retail unit in Gaunt retail centre for Gleadless Valley Foodbank.
- Building links with the universities to facilitate funding coming into the valley such as £72K from British Fellowship to create a Young Futures Commission in Gleadless Valley, and an initial 25K from the Engineering & Physical Sciences Research Council for water quality testing.
- Improvements to Guant and Newfield Green shopping precincts with £120,000 from the Economic Recovery Fund.

2.9.2 Given the long lead-in times for major capital works, these sorts of initiatives are important in demonstrating progress, offering opportunities for residents to get involved in the regeneration and addressing immediate resident concerns. A programme of

additional 'quick win' projects will be developed under each workstream in consultation with residents and community organisations. This could include progressing with the existing masterplan proposals for one or more housing blocks while the wider plans are reviewed.

- 2.9.3 There is a feeling amongst many tenants that the properties that were in scope of the masterplan investment works are not being fully maintained and when repairs do happen these are completed to a minimum standard because the lifetime of the building is limited. Whilst the council has confirmed it remains committed to fully completing repairs there have been delays to the process and this is causing frustration for tenants living on the estate. In response, alongside the refresh and business planning process, the Housing and Neighbourhood and Repairs and Maintenance Service have confirmed a Gleadless Valley Repairs Project Team is being established to manage the backlog of housing repairs, concentrating initially on those blocks within scope of the existing masterplan, where residents have faced most uncertainty and inconvenience. As well as dealing with repairs requests already logged, the Gleadless Valley Repairs Project Team will seek to encourage reporting and identify additional repair needs including repairs issues in communal parts of buildings. The Gleadless Valley Repairs Project is scheduled to launch during mid-summer 2024 and will run for 8-12 weeks.

3. How does this decision contribute to the Council Plan?

- 3.1 Council Plan outcome 2: Great neighbourhoods that people are happy to call home
- 3.1.1 Refurbishment of homes including energy efficiency measures will reduce climate emissions and deliver tangible benefits to residents through warmer homes, reduced damp and mould problems and cheaper energy bills (Council Plan Priority: 'Increase the availability, quality and range of housing in our neighbourhoods'.)
- 3.1.2 Delivery of better shops and services through demolition of the very run-down shopping precincts at Newfield Green and Gaunt Road and re-provision of shops and services as part of mixed tenure developments would lead to increased local spending power to support retail viability, contributing to Council Plan Priority 'Work with communities to improve the places and spaces that make neighbourhoods great places to live and be active'.
- 3.1.3 Improvements to green and blue spaces and associated maintenance regimes, in partnership with residents and

community organisations, will increase outdoor leisure opportunities for local residents and visitors and protect and enhance the unique ecology of the valley (Council Plan Priority 'Ensure more parks and green spaces are high quality and maintained')

3.2 Council Plan outcome 3: People live in caring, engaged communities that value diversity and support wellbeing

3.2.1 The community wellbeing initiatives will deliver against the Community Plan outcome of 'Caring, Engaged Communities', delivering tangible improvements to health and wellbeing through a community-based approach (Council Plan Priorities 'Work with communities to ensure people can access support and live the lives they want' and 'High quality care and support at the right time and place so people can be independent for longer and stay safe'.)

3.2.2 Embedding co-design, partnership working and community development across all aspects of the regeneration programme will lead to more empowered and engaged communities, a stronger voluntary and community sector and increased community cohesion (Community Plan Priorities 'A new approach to community empowerment and engagement, working with our Voluntary, Community and Faith sector partners and through LACs' and 'Enable everyone to feel valued and supported, tackling inequalities and celebrating the diversity of all our communities')

3..3 Council Plan outcome 4: A creative and prosperous city full of culture, learning, and innovation

3.3.1 The delivery plan for employment and skills initiatives will increase the training and employment opportunities available to Gleadless Valley residents as well as maximising the benefits to Sheffield residents and businesses of the construction works, with a focus on green skills for the future (Council Plan Priorities 'Connect more people into the city's prosperity with more good jobs, skills, training and better access to opportunities' and 'Drive growth by supporting Sheffield's dynamic business base and building its global reputation'.)

3.4 Council Plan outcome 5: A city on the move – growing, connected and sustainable

3.4.1 Delivery of additional housing (including additional affordable housing) on brownfield land, making the most of the Valley's proximity to the city centre, excellent bus links and rich natural environment to better meet the needs of existing and new residents will contribute to Council Plan Priority 'More homes for a sustainably growing city with choice, quality and affordability across Sheffield'

3.4.2 Energy efficiency measures will reduce climate emissions and deliver tangible benefits to residents through warmer homes, reduced damp and mould problems and cheaper energy bills (Council Plan Priority 'Become a leading city in the journey to a net zero, climate resilient future, creating new opportunities'.)

3.5 People – Prosperity - Planet

3.5.1 People – One of the aims of the new approach is to broaden the focus from bricks and mortar to specifically address community wellbeing through the proposed Community Engagement and Wellbeing workstream. We will fully involve local residents across all elements of the regeneration programme including the design and delivery of community wellbeing activities.

3.5.2 Prosperity – The new approach seeks to achieve long term sustainable improvement to the local economy in Gleadless Valley by developing plans for additional, mixed tenure housing and new shops and services and through employment and training initiatives to ensure local residents can benefit fully from the city's growth and the employment and enterprise opportunities arising from the regeneration programme itself.

3.5.3 Planet – Refurbishment of homes including energy efficiency measures will reduce climate emissions. The proposed a 'deep retrofit' pilot will help to boost the local green economy and test new ways of financing the massive investment needed to insulate homes across the city.

3.6 City Goals

- 3.6.1 It is envisioned that the regeneration programme will contribute to many of the City Goals, in particular:
- Goal 5: leading the way on decarbonisation through energy efficiency measures and the 'deep retrofit' pilot.
 - Goals 7- 10: Supporting welcoming, caring and safe communities through creating high quality public green spaces, through the community wellbeing programme and by involving local residents fully in the regeneration programme.
 - Goal 16 – Making long term decisions to address the economic, ecological and social crises we face through a review of the masterplan proposals in close partnership with local people and stakeholders.
 - Goal 17 – Giving children, young people and families a strong start to life with affordable, health secure homes and inspiring places to learn play and lead.

4. What community or partner engagement has been undertaken and how has it informed the proposal?

- 4.1 The masterplan was developed through an extensive community engagement and co-design process over a four year period. Between January and March 2022 a formal six-week consultation was then undertaken on the draft masterplan. This revealed strong support for the draft masterplan as well as some concerns and comments which were as far as possible reflected in non-material amendments to the final plan.
- 4.2 The Gleadless Valley Regeneration Team has an ongoing programme of engagement with local residents and records informal feedback from residents received as part of this work and from resident enquiries received by the regeneration team. The team also has access to the results of in-depth interviews with a small number of local residents undertaken as part of a recent research project by a student at the University of Sheffield. The overwhelming feedback has been concern about the condition of the housing, inadequate repairs and delays to delivery of the masterplan housing proposals. Beyond that, the quality of the public realm and anti-social behaviour are the most frequently raised issues. At the July 2024 Annual General Meeting of the Gleadless Valley Tenants and Residents Association, residents raised issues about the poor quality of their homes, delays to promised investment and anti-social behaviour from some tenants. The proposal for an intensive focus on repairs (see paragraph 2.9.3) was welcomed.
- 4.3 Community representatives and organisations were informally consulted in the drafting of this paper. Local councillors have been consulted through the existing Gleadless Valley Regeneration Members Board which brings together Gleadless Valley ward councillors and the Chair, Vice Chair and Labour Group Spokesperson for the Housing Policy Committee. There is broad support for a refreshed approach and in particular for working in close partnership with residents and community organisations to update and deliver the plans, although there is also concern about further delays to delivery. Local councillors are particularly concerned to ensure that we start to improve housing conditions for existing tenants as soon as possible, that new homes are genuinely affordable and that residents are fully involved in the delivery planning process and compensated appropriately for their involvement.

5 What alternative options did we consider?

- 5.1 Alternative Option 1: Allocating additional HRA capital funding to the project in order to deliver the masterplan proposals in full
This option is rejected as unaffordable within the HRA business plan. Sticking precisely to the existing masterplan would also fail to deliver significantly against the council's net zero commitments, or housing growth targets (a net increase of only 115 homes based on current plans) and would not address resident priorities for improved shops and services.
- 5.2 Alternative Option 2: Allocating additional HRA capital funding to the project in order to deliver the refurbishment, remodelling and green space improvements while delivering the redevelopment aspects of the masterplan through disposals to housing associations
This option would still require a very significant uplift in the capital allocation to the project (from £40m to c£100m excluding any works to the shopping centres) which is considered unaffordable within the HRA business plan.
- 5.3 Alternative Option 3: Reducing the scope of the proposed works to meet the available HRA capital budget.
This would allow delivery of (for example) around half of the refurbishment proposals in the masterplan plus some public space improvements. It would be a fast and relatively low risk delivery option but would deliver very limited improvements, lead to significant reputational damage and fail to deliver meaningful change for Gleadless Valley residents.

6. How has equality, diversity and inclusion been actively considered?

- 6.1 A full Equalities Impact Assessment was previously undertaken for the Gleadless Valley Masterplan. The masterplan was predicted to have positive impact across a number of equalities characteristics and no impact on others. The summary of the overall equalities impact is as follows: The Gleadless Valley Masterplan aims to have a significant and positive impact on the entire Gleadless Valley area. The plan envisions a comprehensive transformation that will uplift the community, enhance residents' quality of life, and create a sustainable and vibrant neighbourhood. By focusing on various aspects, such as infrastructure, housing, environment, and social well-being, the Masterplan intends to improve connectivity, accessibility, and overall liveability within the area. It seeks to create a balanced and diverse community, with high-quality housing, well-designed public realms, and improved amenities. The Masterplan also aims to foster a sense of pride, belonging, and community engagement among residents, promoting social

cohesion and a strong neighbourhood identity. Ultimately, the intended impact of the Gleadless Valley Masterplan is to create a thriving and inclusive community that meets the needs and aspirations of its residents, both now and in the future.

- 6.2 The Equalities Impact Assessment has been updated to note the proposed new approach to regeneration set out in this committee report. If agreed by the committee, the next 6-12 months will define any revisions to the regeneration programme. Upon conclusion of this work, the full Equalities Impact Assessment will be updated and considered as part of any relevant approvals.

7. Financial and Commercial Implications

7.1 Funding for proposed capital works

- 7.1.1 Delivery of the capital elements of the masterplan has stalled due to insufficient funding. The table below sets out the original estimates and latest estimates for the cost of works, with the latest estimates incorporating allowances for future cost inflation for each phase of delivery through to 2035.

Project	Original cost estimate (July 2019 prices)	Latest cost estimate (December 2023) including future inflation
Capital works - Refurbishment	£30.1M	£65.0M
Capital works – Remodelling	£16.7M	£21.0M
Capital works – Renewal (redevelopment and infill)	£46.3M	£81M
Capital works – Green Space/ Public Realm	£5.6M	£8.5M
Home loss/ disturbance payments	Not included	£3M
Acquisitions	Not included	£2M
Services and facilities – Gaunt Road	Not included	£7.5M (non HRA)*
Services and facilities – Newfield Green	Not included	£7.5M (non HRA)*
Total	£98.6M	£195.5M

* High level estimates only.

- 7.1.2 The capital funding allocated to the masterplan (excluding borrowing related to development sites through the Stock Increase Programme) comprised £ 41.3m of HRA funding from the citywide Asset Management Programme, of which £1.54m has been spent to date on property acquisitions, staffing, site studies, facilities,

marketing, consultation and security. This leaves £39.8m in the programme budget.

- 7.1.3 In addition, £120,000 has been secured from the Economic Recovery Fund for environmental improvements to the local shopping centres.
- 7.1.4 In Sept 2023 SCC was awarded £575,000 of Brownfield Land Release Grant Funding from One Public Estate. This money is allocated for the demolition of two former Sheffcare sites, Paddock Hill and Castelayn, which are within Gleadless Valley and being dealt with by the Gleadless Valley Regeneration Team although they were not in the original masterplan. Both sites are currently being demolished and cleared in line with the funding requirement. It is a condition of the funding agreement that the Council must enter into a contract to build or commission a delivery partner to deliver 42 affordable homes on these sites by 31st March 2027. Failure to meet this deadline will lead to the clawback of the funding and reputational damage for the Council . The sites have therefore been included in the scope of the Planning and Development workstream.
- 7.1.5 The Delivery Plan will set out in detail the proposed works under each workstream, the related costs and the proposed funding sources.
- 7.1.6 A key objective of the delivery planning within workstreams 1-3 outlined above is to identify delivery and investment partners capable of making up the shortfall in capital funding in order to continue to deliver on the masterplan ambitions. Financial viability is currently marginal for many development, green space and refurbishment/retrofit projects so it must be recognised that developing investable propositions and securing partners will be challenging and is likely to involve using the existing capital allocation as seed or gap funding. If delivery and investment partners cannot be found for particular parts of the masterplan, the Council will need to consider scaling back the masterplan or committing additional capital funding.
- 7.1.7 Partnership delivery arrangements for these sorts of projects aim to reduce initial capital expenditure by the Council but will also likely have negative impacts on the future revenue position of the Council, for example through the loss of rent (if new homes are built and held by other social landlords) or through guarantee of returns for institutional investment in refurbishment and retrofit projects. Depending on the commercial terms of these partnerships, there is potential for this approach to reduce financial risk for the Council (e.g. the risk of escalating construction costs could be passed to a developer) but additional financial and other

risks will be introduced, such as changes in the priorities, capacity or funding of partners or worsening financial viability leading to schemes stalling or requiring more Council investment. All of these risks will be assessed and mitigated in detail as part of future reports seeking approval to enter into partnerships.

7.2 Funding for delivery planning and programme management

7.2.1 Additional internal and external resources will be required to progress with the approach proposed across the six workstreams and develop a robust Delivery Plan capable of attracting delivery partners and external funding.

7.2.2 In 2024/25 the Gleadless Valley Regeneration Team has been funded through the general HRA revenue budget at a cost of £520K per annum. The source of this funding from 2025/26 onward still needs to be determined. Over the coming months, the team will be deployed to support delivery planning under the workstreams and will provide a project management function for the programme. In addition, funding is drawn down from the HRA capital budget for Gleadless Valley to pay for project costs and running costs. This year's budget is £220K.

7.2.3 Additional costs have been estimated to progress the workstreams through feasibility and delivery planning. These costs cover additional officer time, technical consultants, surveys and feasibility studies as well as delivery of 'quick win' projects such as community greenspace projects and training for tenants. In the current financial year, these costs are estimated to total around £662K, comprised as follows:

Workstream	2024/25 budget	Description
Planning and Development	£ 160,000	Feasibility studies for infill and redevelopment sites to provide additional homes on HRA land
Refurbishment and Sustainability	£ 278,799	Feasibility design work for refurbishment/remodelling of council housing typologies
Green and Blue Spaces	£ 87,000	Landscape masterplan and greenspace project development, feasibility and delivery
Community Engagement and Wellbeing	£ 69,000	Community engagement and communications events and activities to inform and involve residents and stakeholders plus community development work with tenants to develop community projects to improve the estate
Employment, Skills and Enterprise	£ 10,000	Research into Gleadless Valley tenant access to existing provision & tenant training needs to inform training strategy
Impact, Evaluation and Legacy	£ 10,000	External evaluation of regeneration programme to learn lessons

Project leadership	£ 47,500	A new Head of Project Delivery post to provide senior leadership to the programme. First 6 months' salary plus on-costs
Total	£ 662,299	

- 7.2.4 These activities will inform capital investment in council homes and surrounding public realm, enable additional housing on HRA land (and adjacent land that could be acquired) and provide direct benefits to council tenants. It is therefore proposed that an additional £662,300 is transferred from the Gleadless Valley Housing Revenue Account Capital Allocation into a Gleadless Valley Housing Revenue Account revenue budget to cover this additional expenditure in the current financial year. The appropriate funding route for next financial year will be agreed as part of the Council's annual budget setting process.

8. Legal Implications

- 8.1 The Council has a "General Power of Competence" pursuant to section 1 Localism Act 2011 which gives local authorities the legal capacity to do anything that an individual can do that is not specifically prohibited. This general power gives the Council more freedom to do creative and innovative things to meet local people's needs. The general power of competence does not relieve the Council from any of its specific statutory duties.
- 8.2 More specifically in relation to acquiring land and property the Council has a general power under the s120 of the Local Government Act 1972: For the purposes of any of its functions under the Act or any other enactment or to benefit, improve or develop its area, the Council may acquire by agreement any land, whether situated inside or outside their area. The Council may acquire by agreement any land for any purpose which they are authorised by this or any other enactment to acquire land, notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired under this section may be used for the purpose of any of the Council's functions. Consequently, the proposals set out in the Masterplan are things that the Council can lawfully undertake. The Council therefore has the necessary powers required in order to be able to undertake the proposals set out in the original Masterplan and to review these proposals and develop a new regeneration approach.
- 8.3 Where further decision making is required in order to implement any aspects of the proposals set out in this report additional legal implications may arise which will be considered and included as

part of any individual additional reports where appropriate. In particular it should be acknowledged/noted that it is likely that there will be additional legal implications arising out of the partnership element of the proposed new regeneration approach which are not yet quantifiable. These will need to be fully considered and reviewed as part of the planned work that will be undertaken under each of the workstream heads detailed in this report and once fully developed will need to be included as part separate individual future policy committee reports/ once these proposals are fully developed their legal implications will then need to be included / detailed as part of the Delivery Plan Policy Committee report or other future policy committee reports as appropriate.

- 8.4 Statutory requirements regarding keeping of a Housing Revenue Account (HRA) are contained in the Local Government and Housing Act 1989 (the 1989 Act). Section 74 of the 1989 Act , sets out the Council’s duty to keep a housing revenue account, and details the expenditure and income which must be accounted for under the HRA. This comprises mostly of housing and other properties, provided by Local Authorities under Part II the Housing Act 1985, or land acquired for that purpose. Further provisions include a duty, under Section 76 of the 1989 Act, to budget to prevent a debit balance on the HRA and to implement and review the budget. The 1989 Act also places a duty on local housing authorities to: (i) to produce and make available for public inspection, an annual budget for their HRA, which avoids a deficit; (ii) to review and if necessary, revise that budget from time to time and (iii) to take all reasonably practical steps to avoid an end of year deficit.
- 8.5 On 10 November 2020 the Ministry of Housing Communities and Local Government (MHCLG) published guidance on the operation of the Housing Revenue Account ring-fence. This guidance updates and replaces Circular 8/95 published by the former Department of the Environment (DoE). It gives advice to local housing authorities in England on certain aspects of the HRA. This statutory guidance stipulates that HRA is a ring-fenced account within the Local Authority General Fund, which should be primarily a landlord account containing the income and expenditure, arising from the Housing Authority’s landlord functions. Given the HRA is ring-fenced within the General Fund, there is no general discretion to breach the ring-fence. In essence, General Funds cannot be used to subsidise HRA, and vice versa.
- 8.6 The Statutory guidance makes it incumbent on Local authorities to be fair to both tenants and to council taxpayers in applying the “Who benefits?” test to ensure there is no breach of the HRA-ring-

fence in contravention of the legislation and guidance governing the HRA. The “Who benefits?” test guards against, on the one hand, tenants subsidising council taxpayers (and the services provided to them through the General Fund (GF)) and, on the other hand, council taxpayers subsidising tenants (and the services provided to them through the HRA). It provides the following advice, *‘At its most basic when taking a decision on whether expenditure or income should be accounted for in the HRA, the test that should be applied is “Who benefits?” That is to say: who is the major contributor of the item of income, or the major beneficiary of the expenditure under consideration? Hence, should the HRA bear the full cost or only part, or should it benefit from the entirety of the income, or is some of it applicable to the General Fund?’* It goes on to state that, *“The main consideration when deciding whether the costs and income associated with a particular property should be accounted for in the HRA is the powers under which the authority is currently providing that property. Section 74 of the 1989 Act sets out the property that must be accounted for in the HRA, by reference to the powers under which that property is held.”*

9. Climate and Environmental Implications

- 9.1 A full Climate Impact Assessment of the existing masterplan was previously undertaken. This has been updated to reflect the new approach to regeneration outlined in this report.
- 9.2 While the detailed impacts will not be known until refreshed proposals are developed through the delivery planning process, the initial updated assessment identifies positive impacts across all categories of climate impact.
- 9.3 The most significant impacts expected are as follows:
 - Proposed investment in carbon reduction measures as part of the housing refurbishment and deep retrofit proposals will directly reduce carbon emissions, support a just transition and provide opportunities for low carbon businesses and green skills/training.
 - New housing and commercial developments will be built to high environmental standards, seeking to reduce both embedded carbon produced through the construction process and operational carbon through heating and energy use.
 - Improvements to green and blue spaces will increase biodiversity and improve flood management.

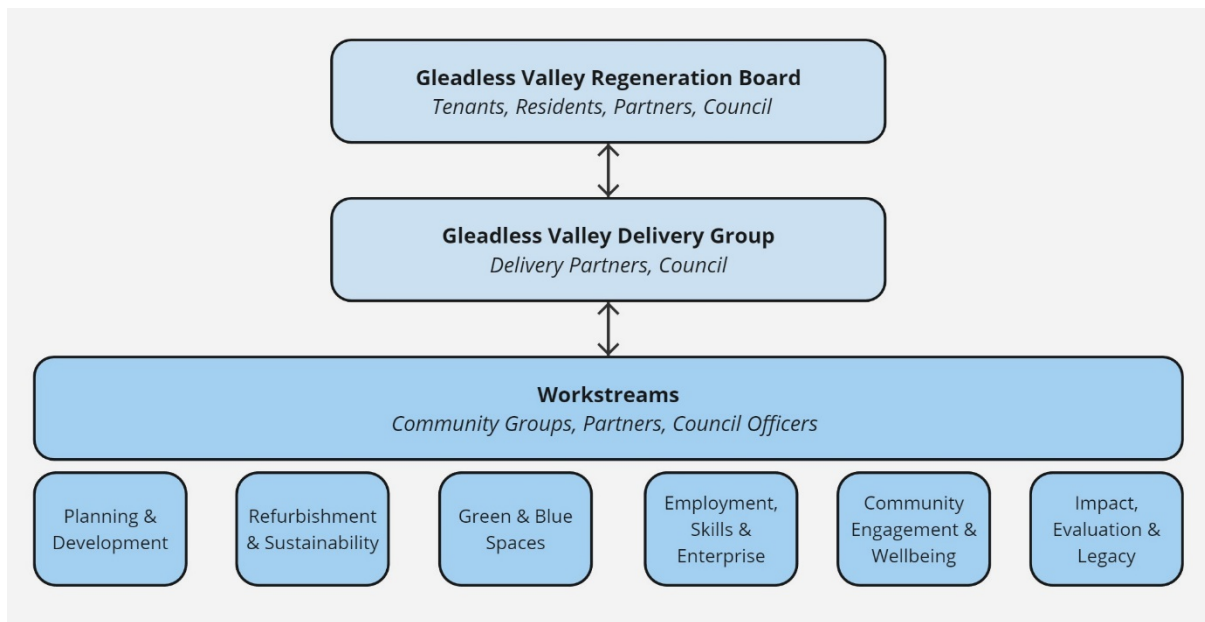
10. Other implications

- 10.1 The proposed approach of delivering new housing through development partners may result in the council disposing of land and buildings to third parties at less than open market value in order to secure the desired outcomes in terms of the mix and quality of new development. Such disposals will be considered and approved at the time in line with the council's Disposals Framework.
- 10.2 There are no human resources implications at this time. The existing Gleadless Valley Regeneration Team will continue to deliver the project, albeit working more closely with the community and through project management arrangements with other services within the council. The long-term future delivery structure for the programme will be identified as part of the Delivery Plan.

11. Reasons for decision

- 11.1 The Council embarked on the masterplan work in 2017 and spent four years developing the masterplan proposals in partnership with the local community. Rising construction costs have made it unaffordable for all of the proposed works to be funded by the council's capital programme.
- 11.2 Scaling back the masterplan to meet the council's budget would fail to deliver meaningful change for Gleadless Valley residents. Instead, the proposed approach will explore opportunities to use council spending to seed fund and de-risk the Valley for external investment from the likes of: Housing Associations, Institutional investors, the Combined Authority, Homes England and third sector organisations.
- 11.3 This new approach would also allow Gleadless Valley to better contribute to the ambitions that the council and partners have for the future of Sheffield as set out in the City Goals and Council Plan, for example inclusive housing growth, net zero and great local centres and facilities.

Appendix A: Draft governance and delivery structure



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