

Please note:

- This is the “Gateway to Sheffield” bid submitted to the Levelling Up Fund on 18<sup>th</sup> June 2021 by Sheffield City Council (SCC), in partnership with Harmony Works and Park Hill Artspace
- Any visualisations contained within the proposal in relation to The Castle site, Canada House or Park Hill Art Space are purely indicative and subject to change
- Importantly, The Castle project is specifically and exclusively for the de-culverting of the River Sheaf and its associated public realm and landscaping, including preservation and interpretation of the archaeology. No further development will be brought forward unless it can be delivered to a density and design quality that is sensitive to the site, its surroundings, the archaeology, and the needs / preferences of stakeholders, as gleaned through public engagement and consultation. This includes any reference to educational use which is still subject to feasibility, consultation and decision making.
- This application form should be read in conjunction with the “Gateway to Sheffield Bid Summary” document

## Levelling Up Fund Application Form

This form is for bidding entities, applying for funding from the Levelling Up Fund (LUF) across the UK. Prior to completing the application form, applicants should read the [LUF Technical Note](#).

The Levelling Up Fund Prospectus is available [here](#).

The level of detail you provide in the Application Form should be in proportion to the amount of funding that you are requesting. For example, bids for more than £10m should provide considerably more information than bids for less than £10m.

Specifically, for larger transport projects requesting between £20m and £50m, bidding entities may submit the Application Form or if available an Outline Business Case (OBC) or Full Business Case (FBC). Further detail on requirements for larger transport projects is provided in the [Technical Note](#).

One application form should be completed per bid.

### **Applicant & Bid Information**

**Local authority name / Applicant name(s)\*:** [Sheffield City Council](#)

*\*If the bid is a joint bid, please enter the names of all participating local authorities / organisations and specify the lead authority*

**Bid Manager Name and position:** [Nalin Seneviratne – Director, City Centre Development](#)

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**Postal address:** [Sheffield City Council, Howden House, Union Street, Sheffield S1 2SH](#)

**Nominated Local Authority Single Point of Contact:** [Nalin Seneviratne](#)

**Senior Responsible Officer contact details:** [Nalin Seneviratne / Lisa Firth](#)

**Chief Finance Officer contact details:** [Eugene Walker](#)

**Country:**

England

- Scotland**
- Wales**
- Northern Ireland**

Please provide the name of any consultancy companies involved in the preparation of the bid:

[Fourth Street Limited](#)

[Amion Consulting Limited](#)

[Studio Egret West Limited](#)

[Turner & Townsend UK Limited](#)

For bids from **Northern Ireland applicants** please confirm type of organisation

- |   |   |
|---|---|
| <input type="checkbox"/> Northern Ireland Executive | <input type="checkbox"/> Third Sector   |
| <input type="checkbox"/> Public Sector Body         | <input type="checkbox"/> Private Sector |
| <input type="checkbox"/> District Council           | <b>Other (please state)</b>             |

## PART 1 GATEWAY CRITERIA

Failure to meet the criteria below will result in an application not being taken forward in this funding round

### 1a Gateway Criteria for **all bids**

Please tick the box to confirm that your bid includes plans for some LUF expenditure in 2021-22

*Please ensure that you evidenced this in the financial case / profile.*

Yes

No

### 1b Gateway Criteria for private and third sector organisations in **Northern Ireland bids only**

(i) Please confirm that you have attached last two years of audited accounts.

Yes

No

(ii) **Northern Ireland bids only** Please provide evidence of the delivery team having experience of delivering two capital projects of similar size and scale in the last five years. (Limit 250 words)

## PART 2 EQUALITY AND DIVERSITY ANALYSIS

2a Please describe how equalities impacts of your proposal have been considered, the relevant affected groups based on protected characteristics, and any measures you propose to implement in response to these impacts. (500 words)

The commitment to fairness and social justice is at the heart of the Council and partnering organisations' values. We believe that everyone must get a fair and equal chance to succeed in Sheffield. Promoting equality of opportunity, means creating an environment where people can achieve their potential, free from barriers, prejudice and discrimination. Inclusion and equality recognises that in a diverse society, people's needs are met in different ways – as a citizen, customer or employee. Diversity is about understanding that each individual is unique, recognising, respecting and celebrating the added value that differences bring.

We are committed to meeting responsibilities outlined in the **Public Sector Equality Duty** and have developed this proposal to ensure that it would not adversely impact individuals / groups with the protected characteristics in the **Equality Act 2010**:

- **Age**
- **Disability**
- **Gender Reassignment**
- **Marriage and Civil Partnership**
- **Pregnancy and Maternity**
- **Race**
- **Religion or Belief**
- **Sex (gender)**
- **Sexual Orientation**

We promote fairness, equality, diversity and inclusion, for instance by providing:

- Safe and inclusive environments that are physically accessible to all
- Information about all projects is accessible to those with impairments, in physical and digital form
- Community access to art, heritage and culture in some of the country's most deprived wards
- Facilities for schools and colleges that need additional learning resources
- A regional music hub that raises awareness and broadens access to talented young musicians from across Sheffield
- Staff remuneration at Living Wage level or above and measures to challenge barriers to entry in arts administration

When authorities submit a bid for funding to the UKG, as part of the Government's commitment to greater openness in the public sector under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, they must also publish a version excluding any commercially sensitive information on their own website within five working days of the announcement of successful bids by UKG. UKG reserves the right to deem the bid as non-compliant if this is not adhered to.

Please specify the weblink where this bid will be published: [www.sheffield.gov.uk](http://www.sheffield.gov.uk)

## PART 3 BID SUMMARY

3a Please specify the type of bid you are submitting

Single Bid (one project)

Package Bid (up to 3 multiple complimentary projects)

3b Please provide an overview of the bid proposal. Where bids have multiple components (package bids) you should clearly explain how the component elements are aligned with each other and represent a coherent set of interventions

(Limit 500 words)

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

The three projects are:

- The Castle
- Park Hill Art Space
- Harmony Works

**The Castle** is the centrepiece. It provides essential infrastructure and enabling work to unlock the future development of a large brownfield site and the economic regeneration of Castlegate quarter.

Castlegate is the birthplace of Sheffield. At the confluence of the River Sheaf and the River Don, this was once the heart of the city, and the site of the castle demolished in 1648. Once a thriving commercial area, it has lost its identity and purpose.

The Castle project will re-establish Castlegate as a vital part of the city centre. The River Sheaf will be de-culverted and complemented by new green space and public realm. Land will be readied for future development, with a first anchor already identified: a Sixth Form College and Adult Education Centre. Other plots will be activated by 'meanwhile uses' that encourage healthy lifestyles.

This is the culmination of a 'grey to green' process that is transforming a derelict 'no go' space into one of Sheffield's most exciting neighbourhoods.

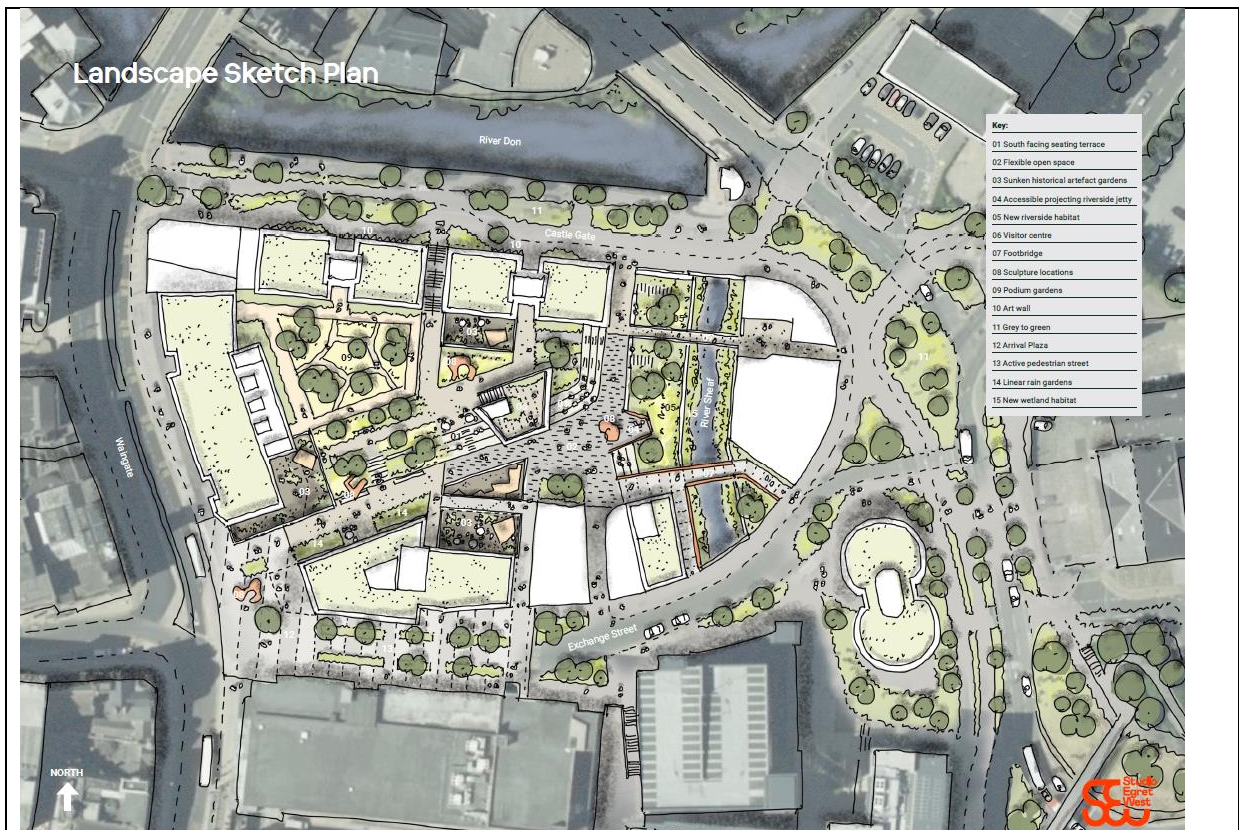


Figure 1 - The Castle

**Park Hill Art Space** will deliver an arts, cultural and heritage destination at the Park Hill estate, just a short walk from the Castle. It will be one of the largest contemporary art galleries in the North, complemented by creative workspace and learning facilities, within a six-acre sculpture park connected directly to the Castle site. This will deliver arts infrastructure commensurate with the world class programming for which S1 Artspace is renowned.



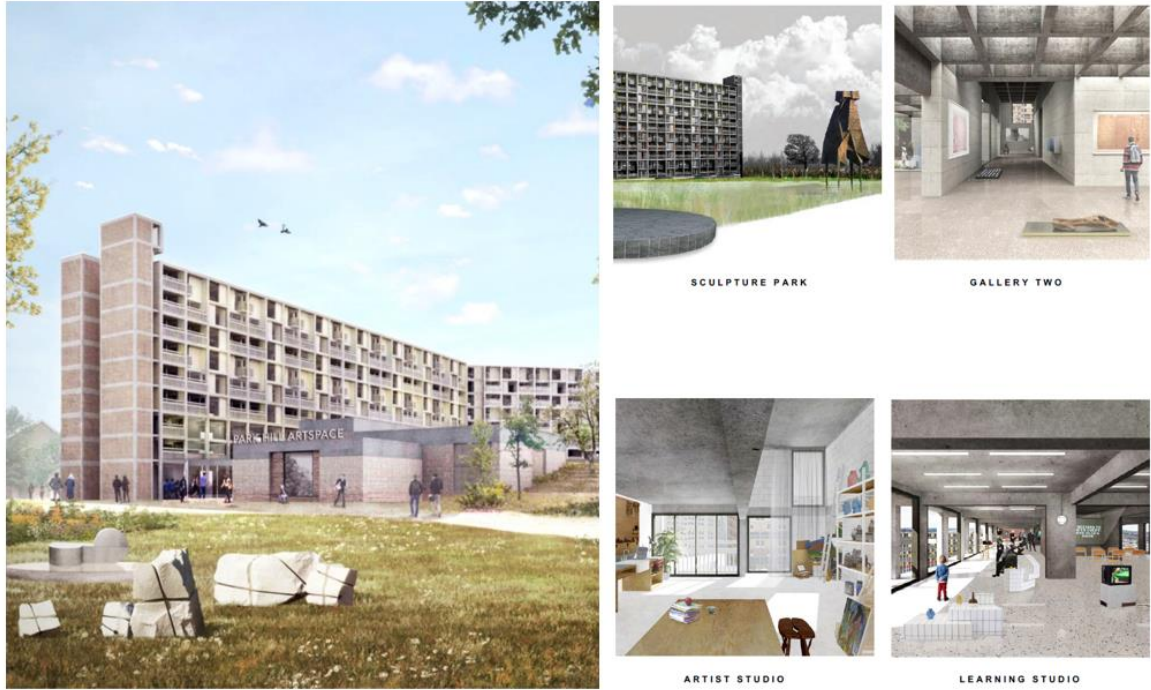


Figure 2 - Park Hill Art Space

**Harmony Works** brings together two music institutions: Sheffield Music Academy and Sheffield Music Hub. The Hub introduces young people to music through community outreach; the Academy identifies and develops promising young talent. Both operate out of 'borrowed' facilities that are not suited to the scale and quality of their work. Harmony Works will acquire Canada House, a Grade II Listed building beside the Castle site. It will provide fit-for-purpose facilities in an accessible location, securing the future of an asset that would otherwise fall into disrepair.

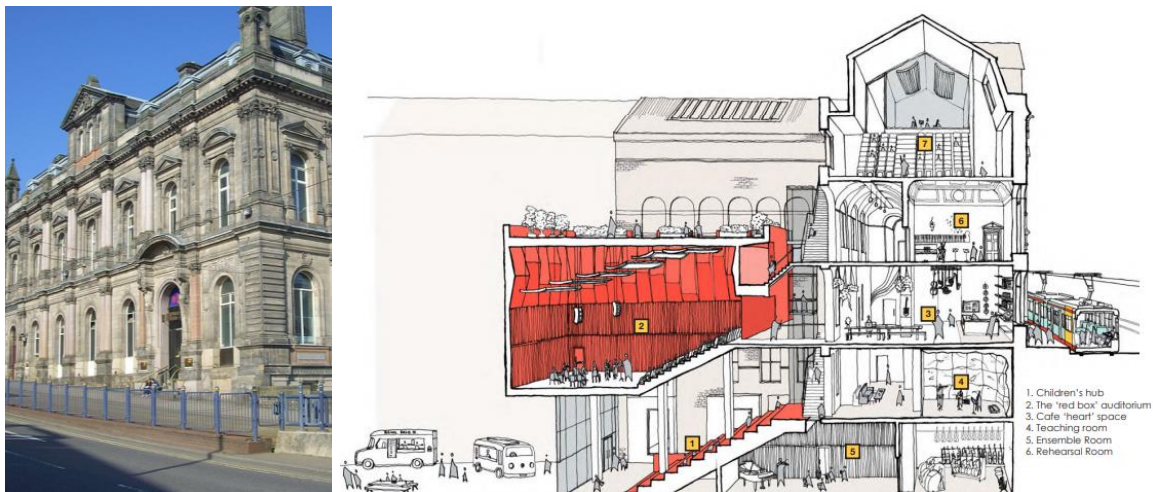


Figure 3 - Harmony Works, Canada House

These projects will:

- 1) Regenerate heritage assets and brownfield sites

- 2) Improve the natural environment and advance the Net Zero Carbon agenda
- 3) Deliver cultural anchors of national significance
- 4) Create education, skills and training opportunities
- 5) Reduce disparities through better connectivity and equitable access to culture and learning
- 6) Create a sense of place and community
- 7) Create jobs and build investor confidence
- 8) Improve quality of life and encourage active travel

3c Please set out the value of capital grant being requested from UK Government (UKG) (£). This should align with the financial case:	£20,000,000
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3d Please specify the proportion of funding requested for each of the Fund's three investment themes	Regeneration and town centre	78%
	Cultural	22%
	Transport	0%

## PART 4 STRATEGIC FIT

### 4.1 Member of Parliament Endorsement (GB Only)

See technical note section 5 for Role of MP in bidding and Table 1 for further guidance.

4.1a Have any MPs formally endorsed this bid? If so confirm name and constituency. Please ensure you have attached the MP's endorsement letter.	<input checked="" type="checkbox"/> Yes
	<input type="checkbox"/> No

Paul Blomfield MP  
Sheffield Central

### 4.2 Stakeholder Engagement and Support

See technical note Table 1 for further guidance.

4.2a Describe what engagement you have undertaken with local stakeholders and the community (communities, civic society, private sector and local businesses) to inform your bid and what support you have from them. (Limit 500 words)

All three projects will be represented within the Castlegate Partnership – a standing committee of community, commercial, civic and cultural stakeholders working together for a thriving future for Castlegate. The committee meets every two months to discuss key development issues.

This package – and its constituent projects – were presented to the partnership in May 2021. Stakeholders provided valuable feedback, which has helped to further define the bid. Stakeholders are keen to ensure that the archaeology is suitably preserved and interpreted; that the public realm is delivered to a high standard; and that any future development is thoughtfully and sensitively brought forward.

Each project also carried out its own programme of public consultation, building on extensive prior community engagement:

- Park Hill delivered a successful programme of public engagement that focussed on young people, including workshops with local Sixth Form colleges. Two broader public consultations welcomed 200 people via drop-in sessions. The resulting feedback confirmed widespread community support.
- Harmony Works gained feedback via postcards distributed at events and concerts. These included 'tram jam' events, where live music was played on Sheffield's tram network to stimulate public response.
- For the Castle site, 150 face-to-face interviews were conducted at Weston Park Museum, the Peace Gardens, and Wilkinson's Store in Castlegate, with

79% of respondents keen to see new a new public space that preserves and interprets the archaeological remains of The Castle. Respondents were enthusiastic about de-culverting the River Sheaf.

All three projects have also connected with civic organisations to extend their reach and obtain broader input and feedback.

Park Hill consulted with groups including: teachers; the Manor and Castle Development Trust; Friends of Sheaf Park; City of Sanctuary Sheffield; and existing S1 studio holders. Former Park Hill residents were also invited to tell their stories as part of a film commissioned by artist Ilona Sagar. This process confirmed the importance of the project to improving perceptions of the estate and overcoming an inherited 'stigma'.

The Harmony Works partnership has engaged with local organisations that are representative of wider constituencies. Among those that have attended workshops or briefings are: University of Sheffield; Sheffield Hallam University; Sheffield Culture Collective; Sheffield Property Association; and Sheffield Theatres. Through their generous feedback, Harmony Works has learned from the experience of existing venues, which has helped to shape the project's planning and design.

The Castle site is hugely important to Sheffield City Centre and has been the subject of extensive stakeholder engagement, not least in connection with past attempts to deliver the de-culverting of the Sheaf. Consultees have included: The Environment Agency; Don Catchment Rivers Trust; Wild Trout Trust; Blue Loop Trust; Trout in the Town; Sheffield and Rotherham Wildlife Trust; Sheffield Waterways Strategy Group; Sheffield River Stewardship Company; and Friends of Sheffield Castle. An online survey of environmental and heritage groups demonstrated overwhelming support for the project.

4.2b Are any aspects of your proposal controversial or not supported by the whole community? Please provide a brief summary, including any campaigns or particular groups in support or opposition? (Limit 250 words)

Park Hill Art Space and Harmony Works are non-controversial projects, championed by local organisations who are long-established, highly respected and widely trusted. There is no objection to either project and we are not aware of any organisation, campaign or individual who opposes them.

The Castle project is centred on a site of extraordinary heritage significance and economic importance. A partnership of interested stakeholders has been convened to monitor its progress (see 4.2a). While we are not aware of any opposition to this project, we are mindful of the site's sensitivities and the principles, preferences and priorities already expressed by stakeholders. These include:

- Creation of green space and public realm
- Preservation of the archaeology
- Improved connectivity to encourage active travel

While it is broadly understood that some property development is appropriate for a site of this scale, stakeholders will be keen to ensure that any new build is of a type, quality, and density that is sensitive to the site, its surroundings and the underlying archaeology.

The first major development will be a Sixth Form College and Adult Education Centre. Further development will not be brought forward until land values have increased enough to make high quality design affordable in a viable scheme that does not compromise the natural environment, the character of the public realm, or the setting of archaeological remains. Surplus land will be opened and activated by meanwhile uses with a focus on outdoor sport, physical activity and healthy lifestyles.

4.2c Where the bidding local authority does not have the statutory responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?

- Yes  
 No  
 N/A

For Northern Ireland transport bids, have you appended a letter of support from the relevant district council

- Yes  
 No  
 N/A

### 4.3 The Case for Investment

See technical note Table 1 for further guidance.

4.3a Please provide evidence of the local challenges/barriers to growth and context that the bid is seeking to respond to. (Limit 500 words)

This package responds to pressing local challenges and barriers to growth have contributed to long-term under-investment in Castlegate and a spiral of decline as traditional commercial uses have ceased. Among these are the following:

#### Heritage

- All three sites involve heritage assets from different periods, as well as the natural heritage of the River Sheaf, which need to be preserved, interpreted and made accessible.
- Such is their scale and prominence that failure to develop these sites will limit the effectiveness of other measures to regenerate the area.
- The cost of preserving and re-animating these assets is prohibitive to commercial investors.

#### Culture

- Strong potential to develop cultural anchors is not being realised due to lack of funding and facilities.

- Sheffield receives, on average, £16.4m per annum less in arts funding than its peer cities (£27 less per capita). National Lottery Heritage Fund support is significantly below the national average.
- ACE investment in South Yorkshire is less than other Combined Authorities at just over £15 per capita.
- There is insufficient supply of artist studios and music rehearsal space. The level of excess demand points to a wealth of untapped talent.
- Sheffield is notable for its support of homegrown organisations. They are cultivating talent and programming work of national calibre, but do not have premises of commensurate quality.
- We will enhance arts provision by creating permeable spaces in accessible places.

### **Image**

- Despite its proximity, Castlegate is not perceived as part of the city centre. Its isolation is a brake on economic development, depressing land values and attracting crime. The Castle site has been fallow since 2015; it will continue to blight the neighbourhood without enabling work.
- Park Hill, despite its heritage significance, remains emblematic of post-1980s industrial decline. Park Hill Art Space will reverse this perception and strengthen the estate's connection to the city centre.
- Harmony Works will breathe new life into a prominent heritage asset that would otherwise fall further into disrepair.

### **Economy**

- This was historically the retail and civic heart of the city, but those functions moved away, culminating in relocation of the central markets and the closure of several large department stores.
- That The Castle site and adjacent Old Town Hall have remained undeveloped for years evidences the challenge created by physical disconnection, negative perceptions and lack of any sense of place.
- This package addresses this issue by restoring a strong identity, centred on heritage, arts and culture, and their ability to inspire a burgeoning cluster of creative and digital businesses.

### **Climate and Environment**

- Castlegate lacks green space and public realm. This reinforces its isolation.
- De-culverting the River is an important project that creates a stretch of open waterfront and a new green space that is welcoming and accessible.
- These projects create an attractive, activated route from Park Hill, through the Castle, past Canada House into the city centre. These new connections will remove physical barriers and encourage more active travel.

4.3b Explain why Government investment is needed (what is the market failure)?  
(Limit 250 words)

The whole package delivers vital improvements to the cultural infrastructure, built environment, public realm and connectivity of Castlegate that would not come

forward in the absence of public investment. Importantly, it considers Castlegate as a whole, which individual site owners and investors cannot do.

**Park Hill Art Space** and **Harmony Works** are ‘public goods’ that could not be delivered in the absence of public investment. They are important additions to the city’s cultural infrastructure, building on the good work of existing grassroots organisations. Their business models are predicated on making music education and the visual arts accessible to the widest possible audience. While robust and sustainable in operation, they do not generate a commercial return that would make them deliverable through private sector funding models. However, they provide an important long term investment in the future talent of Sheffield.

For **The Castle**, this bid focusses on those aspects that would be threatened by a purely private funding model – infrastructure, public realm, placemaking and archaeology. Multiple scenarios have been modelled and traditional commercial models all compromise the site through excess density, height and value-engineering. Negative land values would prevent an appropriate development from coming forward.

Our aim is to take control of the key placemaking principles that will be built into the spine of the site. Remaining land plots will be activated through a programme of ‘meanwhile uses’ and readied for development when land values are capable of sustaining a higher quality of design for an appropriate scale of development.

4.3c Please set out a clear explanation on what you are proposing to invest in and why the proposed interventions in the bid will address those challenges and barriers with evidence to support that explanation. As part of this, we would expect to understand the rationale for the location. (Limit 500 words)

This package will address long-term decline and underinvestment in a prominent historic area in the heart of Sheffield. Castlegate’s problems affect perceptions of the whole city and are immediately evident to visitors. Addressing them and creating a sense of place and new cultural institutions will instil a sense of confidence and pride, creating a climate for new commercial investment.

The individual projects are described below, along with their proposed investment, and evidence of the challenges they address.

### **The Castle**

#### *Proposed investment:*

- Regeneration of a brownfield site through the creation of 11,900sqm of high quality public realm
- De-culverting and re-naturalisation of the River Sheaf
- Revealing the Castle ruins through carefully designed public realm
- Creation of development-ready land plots – one of which is earmarked for a Sixth Form College and Adult Education Centre

#### *Challenges addressed:*

- Climate and environment, culture, heritage, image, economy

*Evidence:*

- The Castle site has been fenced off and fallow since removal of the markets in 2015.
- Multiple development scenarios have been considered by SCC and private development partners, all of which reveal negative land values in the absence of significant investment in infrastructure, public realm and placemaking.
- In the absence of this intervention, the site will continue to blight the area and its surroundings, limiting the effectiveness of other regeneration efforts.

## **Harmony Works**

*Proposed investment:*

- Acquisition of Grade-II Listed Canada House to house a music education centre and performance venue. Harmony Works has secured a time-limited option to purchase the building.

*Challenges addressed:*

- Culture, heritage, economy, image, climate and environment

*Evidence:*

- The partners that constitute Harmony Works have been operating for nearly a decade, from 'borrowed' facilities in peripheral areas. Demand for their education and outreach services is proven, but cannot be fully met without fit-for-purpose space in a more accessible location.
- Canada House has been mostly vacant and unused since 2011. It is a complicated heritage asset that has not found a commercial tenant despite multiple attempts to market it. In the absence of an appropriate cultural use, it is likely to fall further into disrepair and dilapidation, creating further challenges for the Castlegate area.

## **Park Hill Art Space**

*Proposed investment:*

- Creation of new, fit-for-purpose galleries, complemented by a public foyer, café, shop and event space within an existing Listed asset.
- Delivery of a 6-acre sculpture park that creates an attractive, activated route between the estate and the Castle site and city centre.

*Challenges addressed:*

- Culture, heritage, economy, image, climate and environment

*Evidence:*

- S1 Artspace is an established organisation that has grown from the grassroots into of the country's most respected visual arts institutions.
- The scale and quality of its facilities is no longer commensurate with the calibre of its work.



- Sheffield is also notable for lacking the quantum and quality of visual arts space enjoyed by other major cities like Newcastle (Baltic), Bristol (Arnolfini), Birmingham (Ikon), Liverpool (Tate), and Leeds (Tetley).

4.3d For Transport Bids: Have you provided an Option Assessment Report (OAR)

Yes

No

4.3e Please explain how you will deliver the outputs and confirm how results are likely to flow from the interventions. This should be demonstrated through a well-evidenced *Theory of Change*. Further guidance on producing a Theory of Change can be found within [HM Treasury's Magenta Book](#) (page 24, section 2.2.1) and [MHCLG's appraisal guidance](#). (Limit 500 words)

This bid is organised around six impact areas. A full Theory of Change is provided below.

<b>INPUTS</b>	£20m LUF funding £1.25 million funding from Lottery funds, local sources, Trusts, Foundations, private investment, HNWI's, other	Specialist expertise Community resources and expertise Land of ~£2.36m value provided by SCC	
<b>ACTIVITIES</b>	Renovation of Canada House and Park Hill – Duke Street block Creation of visual arts and music 'hubs' Deculverting of River Sheaf New public realm and accessible green space Excavation / interpretation of castle ruins Project, strategic and operational planning	Development-ready plots for sixth form college, adult education centre, and meanwhile uses Design development Construction procurement Fundraising	
<b>OUTPUTS</b>	<b>CASTLE SITE</b>	A destination allowing re-engagement with built and natural heritage through: <ul style="list-style-type: none"> <li>- Deculverted, re-naturalised River Sheaf</li> <li>- Revealed and interpreted castle ruins</li> </ul> 8,120 sqm of new public realm Land for new Sixth Form College and Adult Education Centre	~6000 locals engaged by end of project Six development-ready plots for private, educational, community and meanwhile uses Job opportunities
		<b>PARK HILL ART SPACE</b>	Five galleries for exhibitions and events (650 sqm) Foyer, café, shop and event space Learning Studio 30-50 workspaces for up to 60 artists and creatives Nine live/work flats for creative sector use

	HARMONY WORKS	<p>Collaborative music education centre offering:</p> <ul style="list-style-type: none"> <li>- 1160sqm teaching space</li> <li>- Instrument storage</li> <li>- Social hub</li> <li>- Flexible performance spaces (~350sqm)</li> <li>- Outdoor breakout space</li> </ul>	<p>Spaces for use by other cultural organisations</p> <p>~200sqm income-generating space (e.g. café)</p> <p>Accessible music education</p>	
OUTCOMES	HERITAGE	<p>Heritage of two listed buildings and the Castle site preserved for future generations</p> <p>Population reconnected to heritage</p> <p>Increased confidence of funders in the heritage sector, inspiring greater investment</p>		
	CULTURE	<p>Greater arts investment, reducing the £27-per-capita funding gap relative to comparable cities</p> <p>Improved access to arts, culture, leisure and recreation activities for visitors and locals</p> <p>Improved access to workspace, facilities and accommodation for creative sector</p>	IMAGE	<p>National and international profile of Sheffield City Region increases</p> <p>Improved perception of marginalised areas</p> <p>Improved attractiveness to visitors and residents</p> <p>Reduction in antisocial behaviour</p> <p>Placemaking</p> <p>Press coverage</p>
	ECONOMY	<p>Reduced disparities</p> <p>Local employment, investment and turnover increase</p> <p>Better training and education opportunities in the CAH sector</p> <p>Increased visitor spend</p> <p>Activation of Castle site via meanwhile uses will:</p> <ul style="list-style-type: none"> <li>- Change public perception</li> <li>- Drive up values</li> </ul> <p>Create future investment opportunities</p>	CLIMATE AND ENVIRONMENT	<p>Increased connectivity between marginalised areas and town centre</p> <p>Reduced car use</p> <p>Improved individual health and wellbeing</p> <p>More active travel and public transport use</p> <p>Re-use of existing assets</p>
IMPACT	HERITAGE	<p>Sustainable regeneration and preservation of heritage assets for future generations</p>		
	CULTURE	<p>Better engagement in culture, arts and heritage</p>	IMAGE	<p>Reduced stigma around marginalised areas to create destinations</p>

	ECONOMY	Greater visitor spend and investment from funders	CLIMATE AND ENVIRONMENT	Improved health and wellbeing; more active travel; improved air quality
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#### ASSUMPTIONS

Individual desire exists to engage in heritage, culture and wellbeing	Better connectivity will encourage walking, cycling and use of public transport	Regeneration of existing assets is more sustainable	Health and wellbeing benefits are induced from cultural engagement and open spaces	Cultural uses and public realm bring economic and social benefits
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### 4.4 Alignment with the local and national context

See technical note Table 1 for further guidance.

4.4a Explain how your bid aligns to and supports relevant local strategies (such as Local Plans, local economic strategies or Local Transport Plans) and local objectives for investment, improving infrastructure and levelling up. (Limit 500 words)

This package is squarely aligned to the emerging **Sheffield Local Plan** and advances a host of city plans, policies and strategies. This bid supports objectives that are fundamental to achieving the city's cultural, public realm, transport, environmental and economic aspirations. The renewal of Castlegate and Park Hill are long-term ambitions that have been supported by successive political administrations and command widespread business and public support. Alignment with local strategies is shown by reference to the overarching Sheffield Vision below:

#### **New Sheffield Vision**

*"In 2038 Sheffield will be a fair, inclusive and environmentally sustainable city. It will be playing a nationally significant economic role at the heart its region, with thriving neighbourhoods and communities, and have a distinct urban and rural identity"*

#### **Strategic Themes:**

##### **Heritage and Image**

- Improve understanding of Sheffield by preserving, promoting and celebrating its heritage.
- Improve the built environment to enhance quality of life, incentivise university graduates to stay in the city, and attract the right people for the right jobs.
- **How:** We will ensure the preservation and interpretation of heritage assets, including two listed buildings and the layered archaeology of the Castle site that reveals some 1,000 years of Sheffield history. We will restore an important part of our natural heritage and biodiversity by de-culverting the River Sheaf.

##### **Culture**

- Support cultural organisations and work with partners to advocate for improved access to culture – removing barriers to participation
- Ensure every child and young person has access to an inspiring cultural education and activities.
- Support the development of cultural practitioners to nurture future cultural leaders.
- **How:** Promoting cultural engagement, opportunities and attracting talented creatives from diverse backgrounds. Delivering music education, live performance and visual arts facilities that are fit-for-purpose and equal to the proven quality and calibre of their promoters.

### **Economy**

- Make Sheffield an attractive location to start a business, achieved through keeping up with new technologies, supporting local businesses, providing local people with the skills for employment and growing the private sector economy.
- Invest where there is social value, promoting employment opportunities, supporting business growth and creating opportunities for young people.
- **How:** Culture makes a demonstrable contribution to the local economy, including creative industries, tourism, health and education. This bid will significantly improve cultural engagement, education, work experience, and provision of creative studios and workspaces. We will prepare the way for a new Sixth Form College and Adult Education Centre that focusses on skills training and employability.

### **Climate and Environment**

- Ensure Sheffield's fair and green city reputation is reflected in good quality public realm, providing a proud place with unique architecture.
- Enhance the quality and safety of green spaces to improve access and support residents' wellbeing.
- Facilitate climate change management and conserve biodiversity.
- Ensure modern, reliable and clean journeys for everyone, allowing people to access opportunities and prioritising active travel.
- **How:** We will provide an important new green space in the city centre. We will create an attractive route connecting parts of the city that are currently disconnected and marginalised, encouraging more walking and cycling.

4.4b Explain how the bid aligns to and supports the UK Government policy objectives, legal and statutory commitments, such as delivering Net Zero carbon emissions and improving air quality. Bids for transport projects in particular should clearly explain their carbon benefits. (Limit 250 words)

This bid supports government priorities to enable prosperous and sustainable communities.

Our cultural investments align with the **Build Back Better** growth plan, which promotes places driving social, economic and cultural advancement. Our bid enhances skills and prospects through cultural education and engagement. This aligns with the **National Infrastructure Strategy (2020)** which seeks to boost growth and productivity, alongside steps to decarbonise infrastructure and achieve net zero emissions by 2050. Sheffield City Council aims to be carbon neutral by 2030.

Safer, greener spaces and improved public realm interventions support the **Future of Mobility Strategy (2019)**. New cultural facilities will be accessible through active travel modes such as walking, cycling and public transport. This, along with a more welcoming public realm, will bring health benefits, reduced carbon emissions and improved air quality – in line with the **Sixth Carbon Budget**.

This bid will respectfully enhance key heritage sites, honouring principles of environmental sustainability. These actions align with the **Planning White Paper (2020)** and its ambition to create ‘beautiful places that will stand the test of time’. New green spaces will enhance the natural environment and safeguard ecosystems, advancing the **Ten Point Plan for a Green Industrial Revolution’s** ambition to “*accelerate our path to net zero*”.

The **DCMS Culture White Paper (2016)** promotes the historic built environment as a unique asset which can drive wider regeneration, business growth and prosperity. It encourages the creation of new cultural spaces. The **MHCLG Communities Framework (2019)** also highlights the importance of shared community spaces and prosperity.

4.4c Where applicable explain how the bid complements / or aligns to and supports other investments from different funding streams. (Limit 250 words)

Our bid builds on investments from several funding streams:

#### **The Castle**

- A vital project for Sheffield that will build on the city centre regeneration delivered through the Tax Increment Financing of Heart of the City II and the Future High Streets investment centred on Fargate.
- The project will knit Castlegate back into the city centre, creating conditions to incentivise future private investment.
- The first major new build is expected to be a Sixth Form College and Adult Education Centre, wholly funded by The Sheffield College through its Department of Education and other funding sources.
- The Environmental Agency has also committed funding towards the de-culverting of the Sheaf.

#### **Harmony Works**

- Redevelopment of Canada House will help enliven Sheffield’s historic quarter, to create a thriving cultural hub. Due to its central location, it will provide a focal point for musical talent, enabling broader access.
- The need to advance musical education has been recognised by key organisations, with significant support from Arts Council England, Sheffield

City Council and Architectural Heritage Funds, all of whom have committed funding.

**Park Hill Art Space**

- Advances key arts, culture, heritage and growth aspirations for Sheffield and the UK. Funding partners include Department of Education, HM Treasury, Arts Council England and both the National Lottery Heritage Fund and Architectural Heritage Fund.
- This flagship venue will provide an anchor institution within the award-winning Park Hill redevelopment. The Art Space will ensure that art and culture remains central to the site and will further animate the iconic heritage building.

4.4d Please explain how the bid aligns to and supports the Government's expectation that all local road projects will deliver or improve cycling and walking infrastructure and include bus priority measures (unless it can be shown that there is little or no need to do so). Cycling elements of proposals should follow the Government's cycling design guidance which sets out the standards required. (Limit 250 words)

This bid is not a local road project; nevertheless, where relevant it aligns with the Government's aim to deliver or improve cycling and walking infrastructure.

The award-winning 'Grey to Green' scheme has already improved pedestrian and cycle routes in and around this area. The projects proposed in this bid seek to harness these recent improvements, establishing destinations which give residents and visitors more reasons to make use of this upgraded infrastructure. The proposed cultural, heritage and community anchors are expected to increase use of the cycling and pedestrian infrastructure. Notably, the removal of the high retaining wall at the Castle site will provide easy access to the 'grey to green' landscape, increasing its visibility from the newly created public realm within the Castle site.

It should also be noted that the proposed projects fall along Sheffield's existing tram network, improving their connectivity to other areas of Sheffield. They are also within 10 minutes' walk from the railway station, which will facilitate access on foot or by cycle for visitors from further afield.

The improvements to the public realm will also encourage walking, opening up a new route across the Castle site. 'Meanwhile' uses on the Castle site will be carefully orchestrated to provide opportunities to engage in activity within this central location, furthering Sheffield's reputation as the 'outdoor city'.

## PART 5 VALUE FOR MONEY

### 5.1 Appropriateness of data sources and evidence

See technical note Annex B and Table 1 for further guidance.

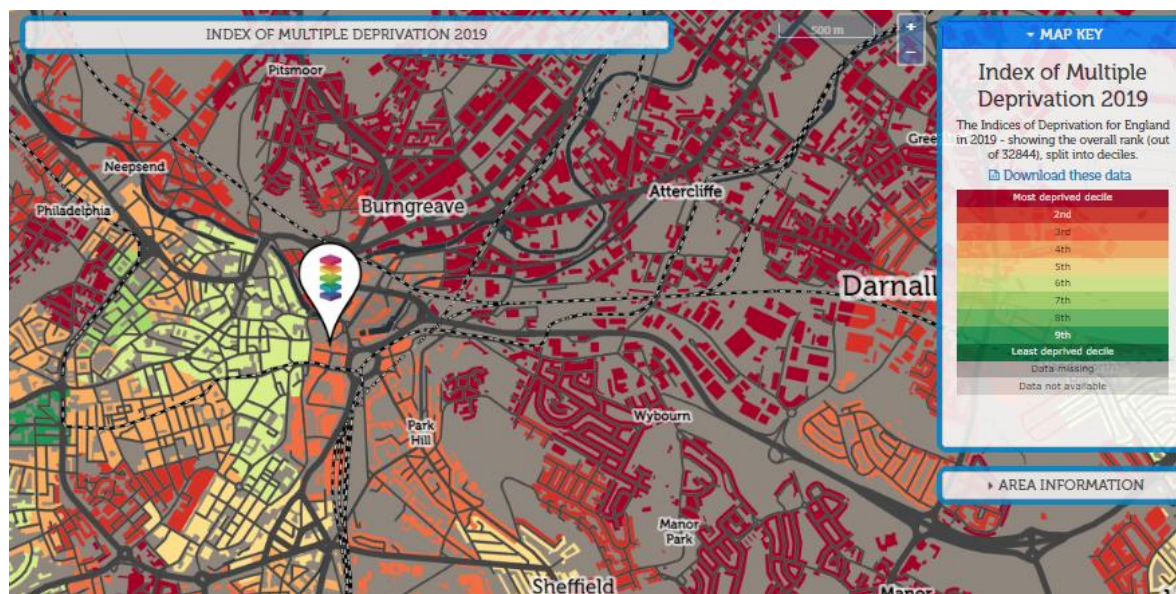
All costs and benefits must be compliant or in line with [HMT's Green Book](#), [DfT Transport Analysis Guidance](#) and [MHCLG Appraisal Guidance](#).

5.1a Please use up to date evidence to demonstrate the scale and significance of local problems and issues. (Limit 250 words)

Sheffield is Priority Category 2 for Levelling Up Fund and the data highlights the need for change.

Productivity is only 86% of the UK average<sup>1</sup> and median weekly pay is below the England level (91% for full-time workers and 90% for part-time, 2020)<sup>2</sup>. Nearly 1 in 20 people are unemployed (Jan-Dec 2020)<sup>3</sup> and the city is the 57<sup>th</sup> most deprived local authority in England (out of 317)<sup>4</sup>.

The Castle, Harmony Works and Art Space sites are adjacent to some of the city's most deprived areas:



Source: CDRC, Index of Multiple Deprivation 2019

The large vacant Castle site blights the neighbourhood and reduces natural surveillance, with over 800 crimes recorded annually; most commonly public order,

<sup>1</sup> ONS, Sub-Regional Productivity data, Nominal (smoothed) GVA (B) per hour worked (£); Local Authority District, 2004 - 2018

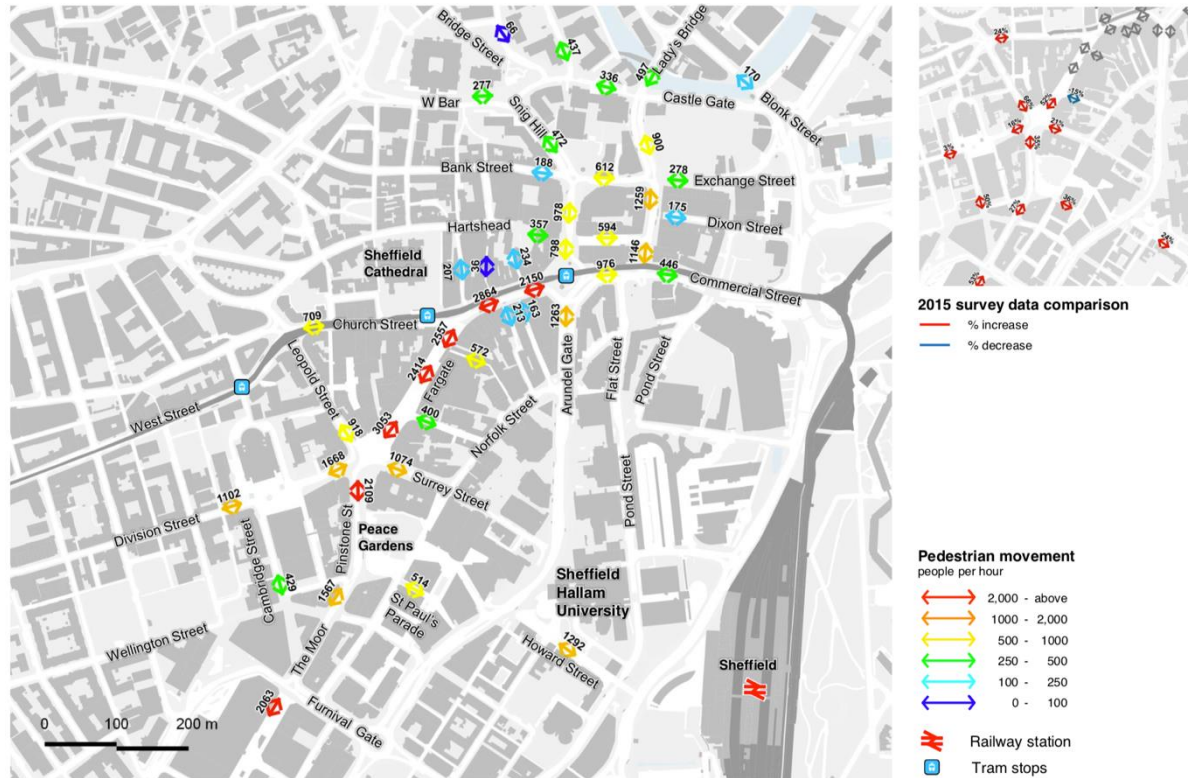
<sup>2</sup> Annual Survey of Hours and Earnings, 2020

<sup>3</sup> NOMIS, Model-based estimates of unemployment for local authorities

<sup>4</sup> English Indices of Deprivation, 2019

anti-social behaviour and violence / sexual offences<sup>5</sup>. Transformational change is required to generate higher footfall beyond the thoroughfares of Haymarket and Waingate.

**Pedestrian movement** All day average Weekday



Source: Space Syntax for Sheffield City Council, Jan 2020

The arts provide wellbeing and economic opportunities, and music is an invaluable tool for academic and social development<sup>6</sup>. Due to a lack of investment, opportunities for young people in Sheffield to engage in arts and culture are limited. Pupils are more likely to be from deprived backgrounds than is the case nationally, and the city lags well behind its peers in terms of investment per head.

Sheffield school pupil demographics, 2019/20		
	Primary	Secondary
Pupils	47,596	32,418
% first language not English	23.5% (England 21.2%)	18.4% (England 16.9%)
% eligible for Free School Meals (FSM)	30.9% (England 23.0%)	34.5% (England 27.7%)

Source: Gov.uk, cited in Harmony Works draft business plan, May 2021

<sup>5</sup> Data.police.uk

<sup>6</sup> '10 Things Schools Should Know About Music', Music Mark



### Arts Investment per capita 2019/20



Based on annual core arts investment to ACE NPO and national arts organisations core funded arts organisations

5.1b Bids should demonstrate the quality assurance of data analysis and evidence for explaining the scale and significance of local problems and issues. Please demonstrate how any data, surveys and evidence is robust, up to date and unbiased. (Limit 500 words)

Evidence from a range of sources provides a comprehensive understanding of the local context for Castlegate, ensuring that issues are identified and interventions are targeted appropriately to meet need and gaps in existing provision. This includes secondary source data and specifically commissioned research / studies. We have used the latest and most up-to-date releases of all the data sets used in this analysis. It is a current and fair reflection of the current state of the reference area.

A range of publicly available datasets have informed the analysis of need, including:

- ONS Annual Population Survey (2020),
- ONS Annual Survey of Hours and Earnings (2020),
- ONS Index of Multiple Deprivation (2019),
- Levelling Up Fund: Prioritisation of places methodology note (2021)
- ONS Sub-regional Productivity (2020)
- ONS Claimant Count (2021)
- DfE School Performance Data (2019)
- South Yorkshire police crime data (2018-2021)

Specific research used to inform the LUF proposals includes:

- Space Syntax Design Impact Assessment (2020)
- S1 Artspace review of arts funding (2019/20)

- Harmony Works analysis of potential demand and comparator offers (draft business plan, 2021)

#### Robustness and unbiasedness of public datasets

To ensure robustness, multiple sources of information have been reviewed to triangulate data and ensure it supports shared conclusions. The ONS data sources provide a clear picture of the main issues facing Castlegate, Park Hill and Sheffield more widely, with the IMD evidencing the need for levelling up in opportunities and prosperity across the city. Both constituency and ward level data for Sheffield Central provide an indication of the high number of students now resident in the city centre, which masks the scale of need amongst the local population. Analysis of data from Arts Council England (ACE) and DCMS provides comparator data across the Core Cities, giving an understanding of the extent to which the arts in Sheffield are under-funded compared to other areas.

#### Robustness and unbiasedness of bespoke data and research

The robustness and unbiasedness of the bespoke data and research which has informed the analysis of local issues is ensured by research being undertaken by specialist organisations including Space Syntax, who specialise in using advanced digital technologies to forecast the impacts of development.

In addition, thorough and extensive engagement has been undertaken over a number of years to gather feedback on the proposed projects and ensure they respond to need. More detail on stakeholder engagement can be found in section 4.2.

5.1c Please demonstrate that data and evidence chosen is appropriate to the area of influence of the interventions. (Limit 250 words)

Although all three projects are located in the city centre, their impact will be felt across the entire city given the nature of the projects and their location close to key (public and road) transport links. The Harmony Works and Park Hill Art Space projects are specifically designed to reach out beyond the immediate area to engage with people and communities across the city, with a particular focus on those most in need of support.

When assessing the employment and economic impact of the proposals on the local economy, it is crucial to understand the extent to which new activity is truly additional, and does not simply displace existing activity. The same applies to the assessment of benefits at national level in the value for money assessment. It is also important to understand who is likely to benefit from the impacts generated and the degree to which further demand and investment is stimulated.

One of the key elements to understand is leakage: the proportion of outputs that benefit those outside the project's target area or group. Travel to work data for Sheffield has informed the assessment of leakage, although this is now rather

dated. This additionality assessment informed the area of influence and thus the geographical level of data and evidence within this bid.

## 5.2 Effectiveness of proposal in addressing problems

5.2a Please provide analysis and evidence to demonstrate how the proposal will address existing or anticipated future problems. Quantifiable impacts should usually be forecasted using a suitable model. (Limit 500 words)

The LUF proposals are expected to significantly address existing and anticipated problems, as below:

Project	Existing/ anticipated problem	Outputs	Outcomes/ impacts	Modelling approach/ evidence
Castle site	<ul style="list-style-type: none"> <li>· Large vacant site in the heart of Castlegate blighting the area</li> <li>· Abnormal costs and low values make commercial re-development unviable</li> <li>· Low footfall further reduces incentives for investment</li> </ul>	<ul style="list-style-type: none"> <li>· 8,120m<sup>2</sup> transformed public realm</li> <li>· 760m<sup>2</sup> de-culverted River Sheaf</li> <li>· 3,303m<sup>2</sup> site readied for future development</li> <li>· Castle remains preserved for future generations</li> </ul>	<ul style="list-style-type: none"> <li>· Transformed image and perceptions of Castlegate</li> <li>· Increased footfall and dwell time</li> <li>· Attraction of sport/ leisure meanwhile uses</li> <li>· Creation of permanent Outdoor City attraction</li> <li>· Accelerated development of surrounding plots for residential/ commercial use</li> </ul>	<ul style="list-style-type: none"> <li>· Urban design options (Studio Egret West)</li> <li>· Feasibility cost plans (Turner &amp; Townsend) show significant costs of de-culverting and tackling abnormal</li> <li>· Development Appraisals highlight viability gap for surrounding plots, requiring external public sector funding for public realm works</li> <li>· AMION CBA model includes: LVU and wider LVU benefit estimates; active mode, heritage and wellbeing benefits</li> </ul>
Park Hill Art Space	<ul style="list-style-type: none"> <li>· Long-term under-investment in the arts</li> <li>· Lack of major gallery space</li> <li>· Lack of studio space constrains opportunities for artists and creatives</li> </ul>	<ul style="list-style-type: none"> <li>· 650m<sup>2</sup> gallery space</li> <li>· Café, shop &amp; event space</li> <li>· Learning Studio</li> <li>· Workspaces for artists and creative businesses</li> <li>· 9 live/work flats for creative-sector use</li> <li>· 2 'heritage flats' managed by National Trust</li> <li>· 6-acre Sculpture Park</li> </ul>	<ul style="list-style-type: none"> <li>· 14 FTE direct jobs</li> <li>· Up to 60 artists and creative workers accommodated</li> <li>· 1040+ people trained annually</li> <li>· 500 locals engaged in creative projects/ events</li> <li>· 80,000+ visits annually</li> </ul>	<ul style="list-style-type: none"> <li>· RIBA Stage 3 cost estimate (Gardiner &amp; Theobald)</li> <li>· Economic impact model (Counterculture Partnership LLP) estimate jobs, GVA and visitor benefits</li> <li>· AMION CBA model informed by impact assessment includes wellbeing benefits from attending arts and cultural events, productivity from skills uplift and wage premium, and amenity benefits from the sculpture park</li> </ul>

<ul style="list-style-type: none"> <li>· Harmony Works</li> </ul>	<ul style="list-style-type: none"> <li>· Existing music services for Sheffield's children constrained by inappropriate accommodation</li> <li>· Existing locations are hard for some to access</li> <li>· Canada House at risk of long-term decline if not reoccupied and redeveloped, with negative impact on surrounding area</li> </ul>	<ul style="list-style-type: none"> <li>· 1 heritage building preserved</li> <li>· Collaborative music education centre and public venue</li> <li>· c.1160sqm teaching space</li> <li>· Flexible performance spaces (~350sqm)</li> <li>· Outdoor breakout space (roof garden)</li> </ul>	<ul style="list-style-type: none"> <li>· Increased number of young people benefiting from music-related support</li> <li>· Increased audience for events and concerts</li> <li>· Wellbeing benefits linked to preservation of heritage asset</li> <li>· Wellbeing benefits of young people and volunteers</li> </ul>	<ul style="list-style-type: none"> <li>· Detailed cost estimates (BWA (Europe) Ltd (updated May 2020)), informed by building condition survey (Watts Group, March 2020)</li> <li>· Business plan (Jura Consultants) includes financial modelling and forecasts students supported; staffing and turnover; and audience/volunteer numbers</li> <li>· AMION CBA model informed by business plan includes wellbeing benefits from attending arts and cultural events, wellbeing benefits to young people and volunteers, and wider place-making effects arising from preservation of Canada House</li> </ul>
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5.2b Please describe the robustness of the forecast assumptions, methodology and model outputs. Key factors to be covered include the quality of the analysis or model (in terms of its accuracy and functionality) (Limit 500 words)

The assumptions are based on a range of forecasts, baseline evidence, expert advice and consultations, which have informed quality assured modelling by independent specialists, as follows:

- Turner & Townsend developed the **feasibility cost plans** for the Castle site projects, informed by the work of Studio Egret West. Key assumptions are set out in the cost document provided, and costs have been benchmarked against other schemes. RIBA Stage 3 costs have been provided for Park Hill Art Space and well-developed cost estimates are available for Harmony Works. The procurement process for RIBA Stage 3 for Harmony Works is at the final stage of being completed.
- Sheffield City Council has developed high level **Development Appraisals** for the various Castle site plots and public realm. Cost categories include construction costs, professional fees, disposal and other costs. Value is estimated based on the space occupied by use and the rental rates which can be achieved on this. This has demonstrated the need for LUF to fund the up-front investment in the public good of high quality public realm at Castlegate.
- Counterculture have prepared an **Initial Impact Assessment** of the Park Hill Art Space project. The analysis identifies direct, beneficiary and visitor effects. Economic value is reported in terms of gross and net GVA informed by CEBR's study of the contribution of the arts and culture industry to the UK economy (2019). A **business plan** has been developed for Harmony

Works by Jura Consultants which provides estimates of audiences, volunteers, staffing and young people supported.

- AMION Consulting have developed a comprehensive **Cost Benefit Assessment** model for the projects, which is linked to the Impact Model, based on assumptions and best practice outlined in the HM Treasury Green Book – for example, there is a consideration of optimism bias and a discount factor of 3.5% is applied. Costs and benefits have been profiled over an appropriate period (which varies according to the specific benefits being assessed – see Technical Note), and an additionality factor is applied to each benefit category. A detailed explanation of the benefits assessed is contained within 5.4a. The modelling framework has recently been reviewed by Homes England analysts on behalf of MHCLG.

### 5.3 Economic costs of proposal

5.3a Please explain the economic costs of the bid. Costs should be consistent with the costs in the financial case, but adjusted for the economic case. This should include but not be limited to providing evidence of costs having been adjusted to an appropriate base year and that inflation has been included or taken into account. In addition, please provide detail that cost risks and uncertainty have been considered and adequately quantified. Optimism bias must also be included in the cost estimates in the economic case. (Limit 500 words)

#### Converting Financial to Economic Costs

The nominal financial costs in the Financial Case (Deliverability section) have been converted to economic costs in line with the Green Book approach applying an assumed inflation rate of 2% per annum to convert estimates of future costs to constant (2021) prices.

The constant price costs have been adjusted to present values by applying the Treasury's Social Time Preference discount rate of 3.5% per annum. LUF funding within the programme is expected to run until March 2024, in line with the published guidance.

#### Optimism Bias

The economic costs include an allowance for optimism bias. This has been estimated using an Optimism Bias Mitigation Model based on the Supplementary Green Book Guidance. Different levels of optimism bias apply to the Castle site ('standard civil engineering'), Harmony Works ('standard building') and Park Hill Art Space ('non-standard building') projects. The mitigations made to each element of optimism bias for each intervention are summarised below.

Optimism Bias Mitigation, by Intervention				
Intervention	Type	Upper Bound OB	Mitigated OB	Comments
<b>Castle site</b>	Standard Civil Engineering	44%	25%	Key mitigations include reducing the impact of an inadequate business case, as Sheffield City Council has developed a good understanding of the issues involved in similar work through the Grey to Green programmes and previous de-culverting e.g. at Matilda Street / Porter Brook / Nursery Street. The Council's procurement processes will also mitigate against potential disputes. Environmental risks will be reduced due to the experience of the Council in similar projects.
<b>Harmony Works</b>	Standard building	24%	10%	Key mitigations include ensuring an adequate business case by drawing on expert advisors to ensure the works are appropriately scoped, costed and programmed; and reducing the impact of procurement issues through a closely managed procurement process which will ensure disputes are avoided. To reduce the risk of environmental issues impacting on the costs, the local community will be consulted about environmental priorities.
<b>Park Hill Art Space</b>	Non-standard building	51%	30%	Key mitigations include ensuring an adequate business case by using the £1m up-front funding provided by HM Treasury to test and pilot programmes and work with expert advisors to ensure the works are appropriately scoped, costed and programmed; careful procurement of contractors to avoid disputes and delays; and having cognisance of external factors which could impact on the delivery of the project, e.g. the on-going impact of Covid-19 on the arts sector.

The impact of higher levels of optimism bias is tested in the sensitivity analyses.

### Capital costs

The estimated discounted public sector costs of the overall programme in constant 2021 prices are set out in below. These costings are based on cost appraisals and financial modelling undertaken for each project.

Public sector economic costs (£m), discounted, excluding Optimism Bias					
	2021/22	2022 / 23	2023 / 24	2024 / 25	Total
Intervention	£6.296	£13.872	£18.004	£2.975	£41.147

Optimism bias has been applied to the economic costs of the each project, as set out above. There is not expected to be any income to the public sector as a result of the LUF investments, and there would be no spend in the reference ('no LUF')

case, so the marginal cost is the same as the net cost. The net present public sector cost including optimism bias for the proposed programme is set out below.

Net present public sector costs including Optimism Bias (£m)	
	Preferred Option
Gross public sector cost	£41.147
Optimism Bias	£9.889
Gross public sector cost including OB	£51.037
Income and residual value (minus opportunity cost)	
Net public sector cost including OB	£51.037
Marginal net public sector cost including OB	£51.037

## 5.4 Analysis of monetised costs and benefits

5.4a Please describe how the economic benefits have been estimated. These must be categorised according to different impact. Depending on the nature of intervention, there could be land value uplift, air quality benefits, reduce journey times, support economic growth, support employment, or reduce carbon emissions. (Limit 750 words)

### Economic Benefits

The framework for assessing economic benefits has been developed having regard to the HM Treasury Green Book, and guidance published by MHCLG, DCMS and DfT. Economic benefits reflect the net marginal position over and above the reference case in which no Levelling Up Fund monies are received, in which none of the projects can be taken forward.

The full range of benefits has been assessed. Following published guidance, this considers the following:

- **Land value uplift (LVU)** – Analysis of changes in land values, which reflect the efficiency benefits of converting land into a more productive use. Existing land value is subtracted from the value of more productive use. The assessment of LVU is based on financial analysis of each development. No LVU is expected to arise from The Castle site or Harmony Works projects, both of which support non-commercial activities. Some LVU will arise at Park Hill Art Space, based on the number of live / work units provided.
- **Wider land value uplift** – The Castle public realm works are expected to have wider placemaking effects, due to their transformational nature. Both Harmony Works and Park Hill Art Space will have lesser, but still significant, impacts. These were estimated using Valuation Office Agency (VOA) data for commercial analysis and Council Tax band data for residential value assessment. The Art Space is expected to add 1.9% to the value of surrounding properties, whilst The Castle public realm will add 4.1%.

- **Crime cost savings** – These benefits relate to reduction in the number of recorded offences within the immediate area due to the high-quality development and increased natural surveillance from higher footfall. Estimated costs to society of each crime type are applied to the reduction in crime, comprising of costs incurred in anticipation of crime, as a consequence of crime, and in response to crime. These costs are taken from Home Office Research Report, updated to 2021 prices.
- **Amenity benefits** – Consistent with the MHCLG Appraisal Guide, amenity benefits are assumed to arise from the investment in public realm at The Castle site, and the sculpture park at Park Hill.
- **Active mode transport benefits** – an assessment of active mode benefits has been undertaken having regard to increased walking and cycling journeys, encouraged by the improvement of The Castle site, the Art Space and the relocation of music services to a central location. These are estimated using DfT's AMAT Toolkit, based on forecasts produced by Space Syntax and expected user numbers.
- **Labour Market benefits:**
  - Labour supply - the significant job creation through the programme will lead to labour supply benefits as new entrants / re-entrants are attracted into the workforce. The GVA benefits arising from an increased labour supply are assessed over a 10-year period.
  - Wellbeing benefits associated with unemployed residents moving into jobs created through the programme have been estimated by applying a value of £11,180 to the number of full-time equivalent jobs assumed to be taken up by those not currently in work.
  - Productivity benefits arising from the transfer of labour into more productive roles, e.g. in the creative workspace at Harmony Works / Park Hill Art Space, and through the enhanced skills which will be delivered through these projects.
- **Wellbeing benefits:**
  - From attending arts and cultural events, estimated based on audience numbers, and with a wellbeing value taken from DCMS's Culture and Heritage Capital Evidence Bank (Fujiwara 2014).
  - From participating in 'sports' activities at the Castle site meanwhile uses (e.g. climbing, beach volleyball, ice skating etc), estimated based on participant numbers, and with a wellbeing value taken from DCMS's Culture and Heritage Capital Evidence Bank (Fujiwara 2014).
  - From volunteering, applied to the number of additional volunteers in the LUF funding scenario, using a wellbeing value from the HACT research<sup>7</sup>.

<sup>7</sup> HACT(2014), Measuring the Social Impact of Community Investment: A Guide to using the Wellbeing Valuation Approach



- **Benefits experienced by young people** – including improved wellbeing from participating in youth groups, and the reduced lifetime costs of exclusions
- **Heritage** – Benefits associated with the value from enabling visitors to access heritage assets from three eras of Sheffield’s development has been estimated. Allowance has been made for the well-being benefits enjoyed by attendees at all three heritage assets, having regard to benchmark values derived from 2014 research published by DCMS.

Further detail in relation to the calculation of benefit is included within the appended technical cost benefit paper.

5.4b Please complete Tab A and B on the **appended excel spreadsheet** to demonstrate your:

Tab A - Discounted total costs by funding source (£m)

Tab B – Discounted benefits by category (£m)

## 5.5 Value for money of proposal

5.5a Please provide a summary of the overall Value for Money of the proposal. This should include reporting of Benefit Cost Ratios. If a Benefit Cost Ratio (BCR) has been estimated there should be a clear explanation of how this is estimated i.e. a methodology note. Benefit Cost Ratios should be calculated in a way that is consistent with [HMT’s Green Book](#). For non-transport bids it should be consistent with [MHCLG’s appraisal guidance](#). For bids requesting funding for transport projects this should be consistent with [DfT Transport Analysis Guidance](#). (Limit 500 words)

The appraisal summary table below sets out the estimated costs and benefits of the Gateway to Sheffield LUF package, over and above the reference case in which no LUF is provided. It is estimated that the scheme will generate direct monetised benefits of more than £125 million across the three projects.

The Harmony Works and Park Hill Art Space projects have contributions from the private sector, which have been converted to constant prices and discounted, and had optimism bias applied, in order to arrive at a private sector economic cost.

The private sector contributions are taken into account in the assessment of value for money. The private sector contributions are subtracted from the total economic benefits for each project before the BCR is calculated, resulting in a net economic benefits figure of £120m.

The net marginal economic costs (including Optimism Bias) are £51.0 million, resulting in an overall package BCR of 2.4:1.

Net marginal economic costs and benefits (NPV, £m)	Intervention
<b>Costs</b>	
Net marginal public sector costs (including OB)	£51.037m
<b>Benefits</b>	
Land Value Uplift	£0.081
Wider Land Value Uplift	£15.115
Wellbeing benefits – arts and cultural events	£35.187
Heritage benefits	£26.085
Active Mode benefits	£16.508
Productivity benefits – skills uplift	£8.012
Productivity benefits – wage premium	£2.809
Labour supply benefits	£2.038
Residents into employment	£0.329
Wellbeing benefits for young people	£6.945
Wellbeing benefits from sports participation	£4.901
Wellbeing benefits from volunteering	£1.679
Public realm amenity benefits	£4.081
Crime cost savings	£1.850
Total Benefits	£125.619
Total Benefits less private sector contribution	£120.448
<b>Total BCR</b>	<b>2.4</b>

5.5b Please describe what other non-monetised impacts the bid will have, and provide a summary of how these have been assessed. (Limit 250 words)

The proposed investments will result in a range of important wider impacts, which cannot be monetised and therefore are not included in the BCR. However, they should be given equal weight in the assessment process:

- **Acting as a catalyst for further investment and regeneration** – by creating a platform for taking forward the commercial plots on the Castle site, which are already attracting interest from future occupiers, and by establishing a cultural anchor of national significance in the city;
- **Levelling up access to arts and music across the city** – by providing increased opportunities for participation by young people and communities at two highly accessible, dedicated city centre locations – ensuring engagement can happen on a larger scale and to a greater depth, with long-term, potentially life-changing benefits;

- **Creating a strong sense of place and community** – by linking Sheffield’s future as a city with a lively atmosphere, distinctive culture and green, healthy living environment directly to its heritage;
- **Sustainable development** – by locating new facilities and future commercial and educational developments in an area adjacent to the bus station, tram network and rail interchange the programme will help promote public transport use.

A weighting and scoring system has been used to assess these impacts – the figure below demonstrates how the most important wider benefits relate to levelling up access to the arts and music. Overall, substantial wider benefits are expected with a score of 9.2/10.

<b>Weighting and scoring of the qualitative benefits</b>			
<b>Wider benefit</b>	<b>Weight</b>	<b>Castlegate LUF programme</b>	
		<b>Score</b>	<b>Weighted score</b>
Catalyst for investment	25%	9	2.25
Levelling up access to arts and music	40%	9	3.6
Sense of place and community	20%	8	1.6
Sustainable development	25%	7	1.75
<b>Total</b>	<b>100%</b>		<b>9.2 (Very High)</b>

5.5c Please provide a summary assessment of risks and uncertainties that could affect the overall Value for Money of the bid. (Limit 250 words)

A Risk Register has been prepared for each project. Key risks and uncertainties that affect Value for Money (VfM) are those that impact on costs and/or benefits. Mitigation measures are being implemented. The main VfM risks are:

- Issues relating to cost – including capital costs exceeding budget; higher than expected inflation; inadequate contingency allowances.
- Issues which would delay the delivery of projects and therefore outputs – including site issues, the on-going impact of the Covid pandemic, delays in securing the required permissions.

To test the sensitivity of the value for money results to changes in key variables, an analysis of ‘switching values’ has been carried out. This calculates how much public sector costs or benefits would have to change in order for the preferred option programme’s BCR to be less than 1.0

### Switching values

	% Change
Percent change in net additional benefits	-58%
Percent change in net costs	136%

Alternative scenarios were modelled to test the sensitivity of BCRs to changes key variables. The key variables adjusted were as follows:

- Scenario 1 – Benefits 10% lower than anticipated
- Scenario 2 – Costs 10% higher than anticipated
- Scenario 3 – Standard upper bound optimism bias levels applied (24% for standard buildings, 44% for civil engineering)

Results are set out below. Under each scenario test, the package continues to provide high value for money, with a BCR of at least 2.0:1.

### Scenario testing

Scenario	Net public sector – inc OB	Total benefits	BCR
Central case	£51.037m	£120.448m	2.4
Scenario 1 – 10% lower benefits	£51.037m	£112.162m	2.2
Scenario 2 – Costs 10% higher than anticipated	£55.964m	£119.931	2.1
Scenario 3 – Standard upper bound optimism bias levels	£58.616m	£119.815m	2.0

5.5d For transport bids, we would expect the [Appraisal Summary Table](#), to be completed to enable a full range of transport impacts to be considered. Other material supporting the assessment of the scheme described in this section should be appended to your bid.

## PART 6 DELIVERABILITY

### 6.1 Financial

See technical note Table 1 for further guidance.

6.1a Please summarise below your financial ask of the LUF, and what if any local and third party contributions have been secured (please note that a minimum local (public or private sector) contribution of 10% of the bid costs is encouraged). Please also note that a contribution will be expected from private sector stakeholders, such as developers, if they stand to benefit from a specific bid (Limit 250 words)

£20m is requested from the LUF.

This would be distributed as shown below (full costings appended):

Project	LUF	Public Match	Provisional Match	Total
Castle Gate	£15,760,894	£ 2,375,620		<b>£18,136,514</b>
Harmony Works	£ 1,600,000		<i>£ 11,200,000</i>	<b>£12,800,000</b>
S1 ArtSpace	£ 2,639,106		<i>£ 15,960,894</i>	<b>£18,600,000</b>
<b>Total</b>	<b>£20,000,000</b>	<b>£ 2,375,620</b>	<b>£ 27,160,894</b>	<b>£49,536,514</b>

Match funding for The Castle site is based on the value of land to be developed. The latest valuation of the full site (9,844m<sup>2</sup>) was £4.8m; this has been apportioned to the landscaped areas (8,120m<sup>2</sup>). The last valuation was 2018, conducted on the assumption of residential use. The value has therefore been reduced by 40% to £2.88m. Adjusted to reflect the landscaped element only, this gives the match of £2.4m which equates to 12% of the total LUF ask.

The remaining allocation has been split between Harmony Works and Park Hill Art Space. LUF only represents a portion of the funding to complete those projects, but it is vital as the 'first hurdle' grant that will unlock other sources. For Harmony Works, £1.6m will be used to acquire Canada House. This price is agreed with the current owner, and an option to purchase has completed (see **Appendix 5.2**). For Park Hill Art Space, the grant will go towards the refurbishment of the Duke Street block.

Sheffield City Council's bid to the fund for £1.6 towards the Harmony Works project is subject to final agreement of site options with the Harmony Works project team. The bid to the fund for both Harmony Works and Park Hill Art Space is on the basis that the remaining funding for those projects is the responsibility of each project body to secure with no further call on the City Council.

6.1b Please also complete Tabs C and D in the **appended excel spreadsheet**, setting out details of the costs and spend profile at the project and bid level in the format requested within the excel sheet. The funding detail should be as accurate as possible as it will form the basis for funding agreements. Please note that we would expect all funding provided from the Fund to be spent by 31 March 2024, and, exceptionally, into 2024-25 for larger schemes.

See appended excel spreadsheet

6.1c Please confirm if the bid will be part funded through other third-party funding (public or private sector). If so, please include evidence (i.e. letters, contractual commitments) to show how any third-party contributions are being secured, the level of commitment and when they will become available. The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Where relevant, bidders should provide evidence in the form of an attached letter from an independent valuer to verify the true market value of the land.

Yes

No

6.1d Please explain what if any funding gaps there are, or what further work needs to be done to secure third party funding contributions. (Limit 250 words)

Sheffield City Council is contributing the land (evidence of value attached), so no further funding is required to initiate and deliver The Castle project. Thereafter, development will only be brought forward when land values and market conditions allow for the delivery of viable schemes at a density and design quality that respect their surrounds, the environment and the site's important archaeology.

The Levelling Up Fund represents the initial cornerstone funding for the Harmony Works and Park Hill Projects. Both promoters have robust fundraising strategies to raise the balance through traditional arts, cultural and heritage funding sources (e.g. Arts Council England, National Lottery Heritage Fund, major trusts and foundations, high net worth individuals, etc.). Both projects are sufficiently advanced to make swift and strong applications to the main funding bodies, all of which will be considerably strengthened by confirmation of initial funding through the LUF.

It is also important to note that both Harmony Works and Park Hill Art Space have been prudently conceived and designed such that they can – if necessary – be phased and scaled. In the unlikely event that total funding falls short of the full target, then the projects can nonetheless deliver the most valuable and visible elements within the timescale required to satisfy LUF conditions.

6.1e Please list any other funding applications you have made for this scheme or variants thereof and the outcome of these applications, including any reasons for rejection. (Limit 250 words)

An application was made to the National Lottery Heritage Fund in 2016 for the de-culverting of the River Sheaf. While the Fund was enthusiastic about the concept, the application was turned down because of uncertainty about the surrounding archaeology and development context. A smaller grant was awarded to support archaeological excavations – which have since taken place – and the applicant was encouraged to re-submit as part of a wider scheme that considered the whole of The Castle site.

S1 Artspace and Harmony Works are accomplished fundraisers that regularly raise capital and revenue funding through traditional arts, heritage and cultural funding sources including, but not limited to, the main Lottery funding bodies. Park Hill Art Space has successfully raised funding through HM Treasury, the National Lottery Heritage Fund, and South Yorkshire Venture Philanthropy Fund, amongst others. Harmony Works has secured development funding through the Architectural Heritage Fund.

Importantly, however, the intent and purpose of work to date has been to develop these concepts to an exceptionally high design standard and support them with robust business planning and fundraising strategies. This gives us confidence that the balance of funding can be raised subject to securing that ‘first hurdle’ cornerstone investment through the LUF.

6.1f Please provide information on margins and contingencies that have been allowed for and the rationale behind them. (Limit 250 words)

The key assumptions on margins, fees, prelims and contingency for each project are itemised in the table below.

	Contractor Prelims	Contractor OH&P	Design Development	Client Contingency	Inflation
The Castle	12.0%	6.0%	2.0%	7.5%	2.0%
Harmony Works	16.0%	included	10.0%	10.0%	5.3%
Park Hill Art Space	15.0%	6.0%	5.0%	10.0%	5.0%

- Each project cost consultant has made a professional judgment given the project specifics and stage of design for each of the margins and contingencies above.
- The timing of each project has determined the inflation allowance.
- Contingency on The Castle was originally set at 15% but after a line by line review, further contingency was built into site abnormal costs
- The Castle project has the benefit of direct comparisons with current tender prices on other city projects.

6.1g Please set out below, what the main financial risks are and how they will be mitigated, including how cost overruns will be dealt with and shared between non-UKG funding partners. (you should cross refer to the Risk Register). (Limit 500 words)

Each of the project bodies has produced a Risk Register, all of which are appended.

Among the main risks and the following, which we are closely monitoring and effectively mitigating.

1. Financial instability of suppliers/contractors may affect the deliverability of the programme. Mitigated by conducting a financial evaluation of the proposed suppliers as part of the tender evaluation process. This is in line with government guidance on assessing and monitoring of the economic and financial standing of suppliers and will include an annual review of the supplier financials if they are deemed medium risk.
2. Match funding is not secured to complete the Park Hill Art Space and/or Harmony Works projects. Mitigation includes:
  - a. Regular communication with principal funders (ACE/NLHF) on project progress and expectations. Project bodies are in regular contact with both funders at senior levels.
  - b. Robust and professionally advised fundraising strategies in place.
  - c. Projects conceived and designed such that they can be phased and scaled to match the funding secured.
3. Capital costs exceed budget leading to reduced contingency/ project overspend. Mitigation includes:
  - a. Clear communication of project budget
  - b. Early integration of good practice cost and design disciplines – i.e. active cost management
  - c. Robust change control procedures adopted with savings obtained through value engineering exercises as required
4. Inflation exceeds industry forecasts. Mitigation includes:
  - a. Prices contractually fixed as soon as practicable in the programme to achieve cost certainty
  - b. Obtain regular market updates and inflation reviews
  - c. Detailed costs and appraisals carried out on basis of known, precedent schemes.
  - d. Expert advice obtained across a range of disciplines to support the assumptions used in this bid.
5. Inadequate contingency allowance in cost plan. Mitigation includes:



- a. Contingency allowances that are appropriate to the type project, its stage of development, and the level of extant certainty/uncertainty
- b. Early engagement of Quantity Surveyor
- c. In-depth review of risk with confirmation of high risk areas and specialist works in cost plan
- d. Separate allowances for known risk areas and 'abnormal' conditions (e.g. archaeology)

6. Project proves to be unviable in operation. Mitigation includes:

- a. Partnering with established and experienced project bodies with a proven track record of successful operations
- b. Robust and professionally advised Business Plans in place for all projects.
- c. Adaptable business models that can flex in response to unforeseen circumstances or market 'shocks'.

## 6.2 Commercial

See technical note Section 4 and Table 1 for further guidance.

6.2a Please summarise your commercial structure, risk allocation and procurement strategy which sets out the rationale for the strategy selected and other options considered and discounted. The procurement route should also be set out with an explanation as to why it is appropriate for a bid of the scale and nature submitted.

Please note - all procurements must be made in accordance with all relevant legal requirements. Applicants must describe their approach to ensuring full compliance in order to discharge their legal duties. (Limit 500 words)

Each body responsible for the delivery of projects within has its own bespoke procurement strategy designed to provide the highest level of assurance and confidence of successful project delivery. While there are individual strategies for each project, we will continuously assess if projects can be delivered more efficiently by combining the procurement of contractors.

### The Castle

This project will be required to submit a Commercial Strategy Form and Contract Award, **Appendix 10**, for scrutiny and approval by commercial services, prior to progressing through the gateway process.

The key elements of this project are:

- De-culverting the River Sheaf
- Creation of public realm and infrastructure

- Preparation of sites for future development, activated as ‘meanwhile’ spaces until then

It is anticipated that works will be procured directly by SCC through its Delivery Partner Framework and Regional Construction Framework – YorBuild. The YorBuild Framework is the most direct route to market. It is supported through the Capital Delivery Service and is OJEU-compliant.

Should the bid be successful early engagement will take place to test the market and identify the most preferable contract options. This will enable competitive procurement process and a value for money solution. Should the level of interest through the framework be deemed insufficient a full competitive process will be carried out including the use of Pre-Qualification.

### **Harmony Works**

The nature of this project and the listed status of the building means that a significant proportion of design work will be undertaken before going to market.

A single stage tender process will be adopted with contractors selected based on both price and relevant experience of delivering projects of this nature. A review of available contractor frameworks will take place to test the appropriateness of the contractors on those frameworks. If nothing suitable is identified, then a fully compliant competitive tender process will be undertaken. If this route is adopted then an initial pre-qualification process will be used to select a tender list of between 4 to 6 contractors.

### **Park Hill Art Space**

Negotiations are underway with the building owner, Urban Splash, for them to undertake the shell-and-core work required in the existing building.

A competitive design and build procurement exercise would then be undertaken to procure a contractor. This procurement may be via a framework if one can be sourced that contains appropriately qualified contractors.

Due to the nature of the new build art space it has been determined that a separate procurement exercise would be required in order to appoint a contractor with the experience of delivering these types of projects, particular ones with specialist installations. The nature of the work is very different to the fit out within the existing building and so separate appointments are considered necessary. Similar to the Harmony Works procurement, it is considered appropriate to undertake a significant amount of design work to ‘fix’ all the major elements of the scheme, before inviting tenders. Tenders will be based on a price/quality split and frameworks will be explored for appropriately qualified contractors.

## **6.3 Management**

See technical note Section 4 and Table 1 for further guidance

Delivery Plan: Places are asked to submit a delivery plan which demonstrates:

- Clear milestones, key dependencies and interfaces, resource requirements, task durations and contingency.
- An understanding of the roles and responsibilities, skills, capability, or capacity needed.
- Arrangements for managing any delivery partners and the plan for benefits realisation.
- Engagement of developers/ occupiers (where needed)
- The strategy for managing stakeholders and considering their interests and influences.
- Confirmation of any powers or consents needed, and statutory approvals eg Planning permission and details of information of ownership or agreements of land/ assets needed to deliver the bid with evidence
- Please also list any powers / consents etc needed/ obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them.

6.3a Please summarise the delivery plan, with reference to the above (Limit 500 words)

## **Programme**

Separate programmes for all three projects included in this bid can be found in **Appendix 7**.

Importantly all programmes, as well as including clear milestones and dependencies, demonstrate that development work is planned to commence before the end of the 2021/22 financial year.

All programmes recognise the unique nature of each project and take account of identified risks by building in prudent timescales for delivery. We have kept the programmes separate in order to evidence that each project can be delivered in its own right and is not dependent on the other projects.

## **Programme and Project Management**

The Capital Delivery Service (CDS) is the Council's centre of excellence for programme and project delivery. The service consists of multi-disciplinary professionally qualified staff and delivers all capital construction projects on behalf of the City Council ranging from small scale boiler replacements and park improvements through to multimillion pound schools, office blocks and infrastructure.

CDS lead on Programme and Project Management across the Council and operate an ISO9001 accredited Service Management System (SMS) – see appended diagram for further detail. Within CDS there is an established Programme Management Office (PMO) that has ownership of the SMS, best practice, and assurance. The PMO also administer the flow of projects to Programme Groups for approval as part of the Council's Gateway process which enables appropriate assurance, scrutiny and governance of all projects. It also owns and manages the

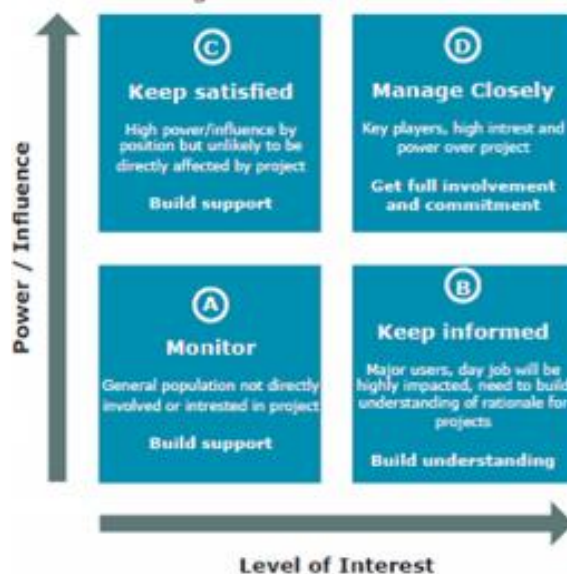
Council's monthly reporting process including the production of programme dashboards.

## Managing Stakeholders

Effective stakeholder management is key to successful programme management. When all stakeholders are engaged, informed and forewarned, the ability to maintain programme is improved. We will:

- Identify, examine and understand stakeholder interest and influence (Figure 4)
- Develop and implement a stakeholder management strategy

Figure 4 – Stakeholder Analysis Framework



We will work with all project partners to:

- Identify key stakeholder groups and individuals
- Identify key issues for each stakeholder
- Develop a clear communications plan

Our stakeholder management strategies will be based on the following principles:

- We will actively monitor the concerns of all legitimate stakeholders, and will take their interests appropriately into account
- We will listen to and communicate with stakeholders about concerns and contributions
- We will provide the opportunities for active involvement of all who can affect and be affected by the project in the definition and planning stages.

## Consents and Statutory Approvals

The Castle project will require planning consent.

Harmony Works will require planning and Listed building consent and will need to exercise its option (already secured) for the acquisition of Canada House. This is planned before the end of the 2021 Calendar Year

Park Hill Artspace has secured planning and listed building consent and will require a lease agreement for the work within the existing Park Hill flats. This agreement is currently being negotiated.

6.3b Has a delivery plan been appended to your bid?

Yes

No

6.3c Can you demonstrate ability to begin delivery on the ground in 2021-22?

Yes

No

6.3e Risk Management: Places are asked to set out a detailed risk assessment which sets out (word limit 500 words not including the risk register):

- the barriers and level of risk to the delivery of your bid
- appropriate and effective arrangements for managing and mitigating these risk
- a clear understanding on roles / responsibilities for risk

### **Identifying both key and non-key risks**

To identify key and non-key risks on all three projects, a series of facilitated interviews, workshops, one-to-one interviews, and/or questionnaires with key parties have been undertaken. Given the differing nature of the three projects these have been captured in separate, standalone risk registers are appended.

For each risk identified, the likelihood of occurrence and potential severity of impact was estimated. Key risks were further evaluated to understand the exposure, looking at the net effect of the identified threats and opportunities on an activity when aggregated.

### **Mitigating against and managing both key and non-key risks**

Implementing the appropriate course of action in response to the risks identified is crucial; especially in relation to key risks with potential to impact the critical path. In order to reduce risk exposure and optimise opportunities, a process of action

planning, assigning ownership, evaluating cost and time impact of the actions, and management of realistic deliverables was undertaken.

Accountability for risks is clearly defined, with specific, named individuals responsible for owning and actioning mitigation of those related risks. Where critical, clear delivery dates have been committed to, with performance review forming an integral and routine part of the risk process.

### **On-going risk management**

The process of risk management doesn't stop at the production of a risk register. Risk in projects is dynamic and the risk profile is constantly changing, therefore the on-going assessment and management of risk is crucial.

Each project in this bid is at a different stage and the risk registers for each reflect that status. Indeed many risks identified in the early stages of projects have now been managed and closed out, for example:

- Planning consent has been received for Park Hill Art Space
- Harmony Works has an option to purchase Canada House at an agreed price
- For The Castle project, a significant amount of information has been collected in respect of ground conditions and factors surrounding the existing culvert, informing the design decisions that will need to be made.

### **Transfer of Risk**

As part of the procurement strategy for all projects, an assessment of the risk profile will be undertaken to assess which risks are best managed by the building contractor and which should remain with the client. This will both inform the most appropriate procurement and contract strategy and also inform the on-going management of residual risks.

6.3f Has a risk register been appended to your bid?

Yes

No

6.3g Please evidence your track record and past experience of delivering schemes of a similar scale and type (Limit 250 words)

SCC has a strong track record of project delivery. They have delivered a significant number of buildings and infrastructure projects via the Council's in-house Capital Delivery Service, utilising their programme and project management methodology. Examples of successful projects delivered by SCC include:

- Grey to Green 1: £4m public realm and infrastructure improvement including installation of SUDs
- Porter Brook pocket park: culvert was opened over a stretch of brook previously hidden by a car park, creating a thriving new riverside park
- Knowledge Gateway: £4m public realm and infrastructure improvements
- Trolley School: £3.5m refurbishment and new build school
- Broadstreet West: £400k refurbishment of office space
- Mercia School: £25m new build secondary school
- Astrea Academy: £26m refurbishment and new build primary and secondary school
- Heart of the City Block D: £85m new build office block and public realm
- Charter Square: £6m infrastructure project, changing road layout and introducing cycle facilities and public realm
- Building Schools for the Future Programme: £200m+ delivery of new schools, expansions and refurbishments
- Housing Growth Programme: £100m+ delivery of new council housing across various sites in Sheffield

LUF support will enable SCC to build on strong, long-standing relationships with Harmony Works and Park Hill Art Space to deliver a wider, more diverse cultural offering for the city. Despite the lack of adequate space to date, these organisations have successfully been delivering programmes across the city region for several years.

Furthermore, the professional teams and advisers commissioned by each organisation unlocks extensive experience in the delivery of similar projects.

6.3h Assurance: We will require Chief Financial Officer confirmation that adequate assurance systems are in place.

For larger transport projects (between £20m - £50m) please provide evidence of an integrated assurance and approval plan. This should include details around planned health checks or gateway reviews. (Limit 250 words)

See section 7.2

All capital projects delivered by SCC follow the Gateway Process which sees the delivery of a business case from initial through to final with approval from dedicated Programme Groups, Corporate Programme Group and Cabinet at key stages of project development.

Throughout the delivery phase each project will be monitored through the gateways and monthly reporting process. Each project manager will be required to complete a monthly report in line with SCC's monthly reporting process.

Reports provide updates on the programme, financial position and progress to date and are reviewed and approved by the Programme Manager. The reports are then

compiled to produce a programme report which the Programme Manager shares with relevant parties and presents at Steering Group and Programme Board highlighting any risks or issues that require escalation and any outstanding decisions.

Project Managers must also complete a monthly forecast in the council's financial system, Qtier. The forecast profiles expenditure and allows any variances to be highlighted and scrutinized by the capital finance team. This process ensures project finances are managed effectively and transparently.

## 6.4 Monitoring and Evaluation

*See technical note Section 4 and Table 1 for further guidance.*

6.4a Monitoring and Evaluation Plan: Please set out proportionate plans for M&E which should include (1000 word limit):

- Bid level M&E objectives and research questions
- Outline of bid level M&E approach
- Overview of key metrics for M&E (covering inputs, outputs, outcomes and impacts), informed by bid objectives and Theory of Change. Please complete Tabs E and F on the **appended excel spreadsheet**
- Resourcing and governance arrangements for bid level M&E

A monitoring and evaluation plan has been produced for the Gateway to Sheffield LUF programme setting out the monitoring and evaluation activity which will be undertaken.

This will be crucial to a successful delivery of the bid and its three distinct projects: The Castle; Park Hill Art Space; and Harmony Works. Sheffield City Council are committed to a robust evaluation of the programme, drawing on both internal expertise and external support where an objective view will add value.

Key questions have been identified linked to the programme objectives including:

**1) Regenerate key heritage assets and brownfield sites:**

- Have key heritage assets been brought back into public use?

**2) Improve the natural environment and advance the Net Zero Carbon agenda**

- Has the programme helped advance the Net Zero carbon agenda?

**3) Deliver new cultural anchors of national significance**



- Has the programme delivered the key outputs?
- Has this helped improve engagement in this sector?
- Are more people engaging with the heritage and participating in the arts?
- Has the programme received national press coverage?
- Are more events held in the area as a result of the programme?

#### **4) Create education, skills and training opportunities**

- Has the project provided appropriate community education and training facilities?
- Are more people attaining higher qualifications?
- Are more people transitioning from education/training programmes into full-time employment?

#### **5) Reduce disparities through better connectivity and more equitable access to culture and learning**

- Is there a reduction in economic disparities?
- Has the project improved connectivity?
- Has this led to increased footfall and expenditure in the area?

#### **6) Create a strong sense of place and community**

- Is the project creating a better environment for daytime and evening visitors?
- Is the project creating a safer environment?
- Has the programme helped boost public perception of Castlegate?

#### **7) Create jobs and build investor confidence**

- Has the programme created employment and growth opportunities for individuals and creative businesses?
- Has this led to increased business investment in the area?

#### **8) Improve quality of life and encourage active travel**

- Has the programme helped increase active travel?
- Are people participating more in sport and physical activity through the public realm and its meanwhile uses?

Monitoring and Evaluation will be undertaken in accordance with MHCLG guidance. Table F (appended) details the metric that will be monitored during and after the funding period. This is in line with the Theory of Change model's outputs and outcomes, and corresponds to the five key impact areas: heritage, culture, economy, image and climate and environment.

Key metrics for each of the core areas are set out below, with further detail relating to data sources and baseline data in Table F of the appended spreadsheet:

## **Heritage**

- Surveys measuring engagement with heritage
- Ongoing heritage maintenance, management and conservation budgets

## **Culture**

- Engagement surveys
- Ticket sales/visitor numbers
- Participant and student numbers
- Special events and exhibition attendance

## **Image**

- Public perception surveys
- Surveys of businesses
- Coverage in local and national media

## **Economy**

- Socio-economic metrics and market data e.g. gross weekly earnings, unemployment rate, Multiple Index of Deprivation Ranking
- Participation in training and education workshops and other events
- Business start-up and survival rates
- Inward investment
- Surveys of local businesses including accommodation providers to monitor increases in overnight stays

## **Climate and Environment**

- Surveys of public transport use (especially tram network)
- Footfall/ cycle counts
- Transport metrics including connectivity measures e.g. National Infrastructure Commission's Connectivity dataset
- Air quality surveys

Monitoring and evaluation will be conducted by the bid manager at SCC to incorporate all bid elements and ensure consistency in measuring and reporting. Metrics used will be consistent with the stated objectives. Sheffield City Council has experience delivering robust M&E programmes for example in relation to the successful Future High Streets Fund bid. It is envisaged that the monitoring and evaluation of this bid, if successful, would follow the same proven model.

Regular feedback will be given to partners and stakeholders on the progress and performance of the project. This may include:

- distribution of high-level monitoring results every six months including a short progress report on activities completed in the period and outputs achieved to date;

- focus groups or meetings to discuss any issues identified during the monitoring of the project and arising from the interim and impact evaluations;
- annual progress reports; and
- publication of the impact evaluation report on the Council's website, as well as the Harmony Works and Park Hill Art Space websites

Allocation of funding for monitoring and evaluation will run until March 2024 (and beyond if required). This will be used for:

- SCC officer time to gather, verify and report the required monitoring information
- Purchase of data / commissioning of surveys and data gathering by market research or other specialist companies (e.g. on vacancies, rental levels etc)
- Independent set-piece evaluation studies at the interim and impact evaluation stages, ensuring an objective and robust assessment of progress and enabling all stakeholders to provide their views.

Interim and impact evaluations will involve surveys of businesses to identify, for example, any changes to local spend and the extent to which businesses are locating in the area as a result of the project. Separate visitor surveys (both local people and visitors from elsewhere) will be undertaken to identify any social impacts resulting from the project, such as improved perceptions of safety and changes in likelihood of visiting the area for social reasons. These surveys will be conducted on-site – at the Castle site, Park Hill Art Space and Harmony Works – as well as online in an effort to increase and broaden participation. A consultation exercise will also be undertaken with various stakeholders. These may include, for example, the police (in relation to, for example, crime and anti-social behaviour levels) plus landlords, key stakeholders and other public sector bodies based in the locality.

A key challenge for the Sheffield LUF bid evaluation will be the attribution of impact to the LUF investments, and the consideration of the counterfactual, given the many different factors which will influence development in Sheffield Castlegate and Park Hill in the coming years.

See Table F for more detail.

## **PART 7 DECLARATIONS**

### **7.1 Senior Responsible Owner Declaration**

As Senior Responsible Owner for Gateway to Sheffield I hereby submit this request for approval to UKG on behalf of Sheffield City Council and confirm that I have the necessary authority to do so.

I confirm that Sheffield City Council will have all the necessary statutory powers and other relevant consents in place to ensure the planned timescales in the application can be realised.

Name:

Nalin Seneviratne – Director, City Centre Developments, Sheffield City Council.

Signed:

### **7.2 Chief Finance Officer Declaration**

As Chief Finance Officer for Sheffield City Council I declare that the scheme cost estimates quoted in this bid are accurate to the best of my knowledge and that Sheffield City Council

- has allocated sufficient budget to deliver this scheme on the basis of its proposed funding contribution
- accepts responsibility for meeting any costs over and above the UKG contribution requested, including potential cost overruns and the underwriting of any funding contributions expected from third parties
- accepts responsibility for meeting any ongoing revenue requirements in relation to the scheme
- accepts that no further increase in UKG funding will be considered beyond the maximum contribution requested and that no UKG funding will be provided after 2024-25
- confirm that the authority commits to ensure successful bids will deliver value for money or best value.
- confirms that the authority has the necessary governance / assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to.

Name: Eugene Walker

Signed:

### **7.3 Data Protection**

Please note that the Ministry of Housing, Communities and Local Government (MHCLG) is a data controller for all Levelling Up Fund related personal data collected with the relevant forms submitted to MHCLG, and the control and processing of Personal Data.

The Department, and its contractors where relevant, may process the Personal Data that it collects from you, and use the information provided as part of the application to the Department for funding from the Levelling Up Fund, as well as in accordance with its privacy policies. For the purposes of assessing your bid the

Department may need to share your Personal Data with other Government departments and departments in the Devolved Administrations and by submitting this form you are agreeing to your Personal Data being used in this way.

Any information you provide will be kept securely and destroyed within 7 years of the application process completing.

**You can find more information about how the Department deals with your data [here](#).**

**Annex A - Project One Summary** (only required for a package bid)

Project 1	
A1. Project Name	
The Castle Site	
A2. Strategic Linkage to bid: Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>This project seeks to reveal the ruins of Sheffield’s castle and the river Sheaf – two key pieces of Sheffield’s heritage – via the creation of excellent quality public realm.</p> <p>The project will encourage residents and visitors to engage with Sheffield’s rich and diverse heritage in a space where activated meanwhile uses will also promote health and wellbeing. This will act as one of three ‘anchors’ in the Castlegate / Park Hill area of Sheffield to create a cultural and heritage quarter which will drive up footfall, increase accessibility to culture, arts and heritage and improve connectivity between disparate areas of Sheffield.</p>	
A3. Geographical area: Please provide a short description of the area covered by the bid ( <u>in no more than 100 words</u> )	
<p>The Castle site is located in the East of Sheffield city centre, at the confluence of the River Don and the Sheaf (currently culverted). It is approximately 700m North of Sheffield railway station.</p> <p>The surrounding area is mixed use – predominantly retail, with some chain hotels in the immediate vicinity. Other notable land-uses include the Magistrates’ Court and Old Town Hall, currently up for redevelopment.</p> <p>The area is well-connected by cycle routes, tramways and bus routes.</p> <p>Currently the area is run-down, partially due to the site in question whose substantial footprint has been empty since the demolition of markets in 2015.</p>	
A4. OS Grid Reference	SK358876
A5. Postcode	S2 5TR
A6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please	Sheffield City Council

provide details of the district council or unitary authority where the bid is located (or predominantly located)	
A7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A8. Project theme Please select the project theme	<input type="checkbox"/> <b>Transport investment</b> <input checked="" type="checkbox"/> <b>Regeneration and town centre investment</b> <input type="checkbox"/> <b>Cultural investment</b>
A9. Value of capital grant being requested for this project (£):	£15,760,894
A10. Value of match funding and sources (£):	£2,275,620 – public funding (land value)
A11. Value for Money  This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However, there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment (Limit 250 word)	
Reflecting on the nature of the Castle site regeneration, the following benefits have been included within the BCR:	

- **Wider LVU** - The public realm works are expected to have significant wider placemaking effects. These have been estimated using VOA data and Council Tax band data. The works will add 4.1% to local values.
- **Crime cost savings** - These benefits relate to a reduction in the number of recorded offences due to the high-quality development and increased natural surveillance once there is a higher level of footfall in the Castle area. The estimated costs to society of each crime type are applied to the reduction in crime. These costs are taken from the Home Office Research Report and have been updated to 2021 prices.
- **Amenity benefits** - Consistent with the MHCLG Appraisal Guide, amenity benefits are assumed to arise from the public realm investment
- **Active travel** – Active mode benefits have been assessed regarding increased walking and cycling journeys which will be encourage. These have been estimated using DfT’s AMAT Toolkit, based on forecasts produced by Space Syntax and expected user numbers.
- **Wellbeing from participating in sports activity** - (e.g. climbing, beach volleyball, ice skating etc) estimated based on participant numbers, and with a wellbeing value taken from DCMS’s Culture and Heritage Capital Evidence Bank (Fujiwara 2014).
- **Social value of heritage** - Benefits associated with the value from visitors being able to access heritage assets have been estimated using benchmark values derived from 2014 research published by DCMS.

A12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

The appraisal summary table below sets out the estimated costs and benefits of the Castle site project. It is estimated that the scheme will generate direct monetised benefits of more than £42.7 million.

The net marginal economic costs (including Optimism Bias) are £21.314 million, resulting in an overall package BCR of 2.0:1.

Net marginal economic costs and benefits (NPV, £m)	Castle site
<b>Costs</b>	
<b>Net marginal public sector costs (including OB)</b>	£21.314
<b>Benefits</b>	
Wider LVU	£11.666
Crime cost savings	£1.850
Amenity benefits	£0.859
Active travel	£15.277
Wellbeing from participating in sports activity	£4.901
Social value of heritage	£8.207
<b>Total Benefits</b>	<b>£42.759</b>



Total Benefits less private sector contribution		£42.759																										
<b>Total BCR</b>		<b>2.0:1</b>																										
A13. Where available, please provide the BCR for this project	2.0:1																											
A14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.	<p>The proposed investment will result in strong non-monetised benefits, particularly with respect to how it will act as a catalyst for further investment and regeneration. In particular, the project will create a platform for taking forward the commercial plots on the Castle site, which are already attracting interest for future occupiers.</p> <table border="1"> <thead> <tr> <th colspan="4">Weighting and scoring of the qualitative benefits</th> </tr> <tr> <th rowspan="2">Wider benefit</th> <th rowspan="2">Weight</th> <th colspan="2">Castle site</th> </tr> <tr> <th>Score</th> <th>Weighted score</th> </tr> </thead> <tbody> <tr> <td>Catalyst for investment</td> <td>35%</td> <td>9</td> <td>3.15</td> </tr> <tr> <td>Sense of place and community</td> <td>30%</td> <td>8</td> <td>2.4</td> </tr> <tr> <td>Sustainable development</td> <td>35%</td> <td>8</td> <td>2.8</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> <td></td> <td><b>8.4</b></td> </tr> </tbody> </table>		Weighting and scoring of the qualitative benefits				Wider benefit	Weight	Castle site		Score	Weighted score	Catalyst for investment	35%	9	3.15	Sense of place and community	30%	8	2.4	Sustainable development	35%	8	2.8	<b>Total</b>	<b>100%</b>		<b>8.4</b>
Weighting and scoring of the qualitative benefits																												
Wider benefit	Weight	Castle site																										
		Score	Weighted score																									
Catalyst for investment	35%	9	3.15																									
Sense of place and community	30%	8	2.4																									
Sustainable development	35%	8	2.8																									
<b>Total</b>	<b>100%</b>		<b>8.4</b>																									
A15. <b>Deliverability</b> Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.	<p>The following statutory procedures will be required to be achieved before the project can be constructed</p> <ul style="list-style-type: none"> <li>• Planning consent</li> <li>• Listed building consent</li> <li>• Building Regulations Approval</li> </ul>																											
A16. <b>The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</b>  As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22	<p>The programme included in <b>Appendix 7.1</b> sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for</p>																											

delivery. The result of this is that construction work will start within the 2021/22 financial year.	
A17. Does this project include plans for some LUF expenditure in 2021-22?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A19. Please provide evidence	This project is not dependent on the other two projects contained within this bid: it could be delivered as a standalone project. The net benefit of each project would, however, be compounded should all three projects obtain the funding required to proceed. The projects represent a joined-up approach to the large-scale regeneration of an area by the conversion of three key heritage sites into cultural and community spaces. The three projects in combination have the potential to reshape and revitalise the Castlegate and Park Hill areas, creating a diverse and attractive cultural quarter.
A20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A21. Please provide evidence	The programme included in <b>Appendix 7.1</b> sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for delivery. The result of this is that construction work will start within the 2021/22 financial year.
<b>Statutory Powers and Consents</b>	
A22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be	None obtained at the time of this application

<p>referenced in your project plan.</p>	
<p>A23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.</p>	<p>Planning consent - submission planned for September 2021 and included in project programme</p> <p>Building Regulations Approval - Building regulation approval will ultimately be received on completion of the construction project. It will take the form of various submissions by the design team and contractor throughout the duration of the project</p>

**Annex B - Project Two description and funding profile** (only required for package bid)

Project 2	
B1. Project Name	Harmony Works
B2. Strategic Linkage to bid:	
Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>This project seeks to create a cultural ‘anchor’ centred on music as part of a wider cultural and heritage offering completed by the Castle site and Park Hill Art Space.</p> <p>Currently, the well-established organisations involved in Harmony Works suffer from a lack of suitable, centrally-located space for music education. This project seeks to address this problem in the same way as Park Hill does for the visual arts: by the provision of an appropriate, accessible venue. All three projects in combination will revitalise a marginalised part of Sheffield, creating a thriving cultural quarter where music, art and heritage are front-and-centre.</p>	
B3. Geographical area:	
Please provide a short description of the area covered by the bid ( <u>in no more than 100 words</u> )	
<p>Canada House – the proposed site for Harmony Works – is located in the east of Sheffield City centre, directly adjacent to Fitzalan Square/Ponds forge tram stop on Commercial Street.</p> <p>The surrounding area is mixed use, with retail, food and beverage, office and hotel uses. The properties in the area are predominantly three- to four-storeys and a mix of ages.</p> <p>The area is well-connected by cycle routes, tramways and bus routes.</p> <p>The area has some vacant properties, and Canada House has been mostly vacant since 2011.</p>	
B4. OS Grid Reference	SK358875
B5. Postcode	S1 2AT
B6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council	Sheffield City Council

or unitary authority where the bid is located (or predominantly located)	
B7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	
B8. Project theme Please select the project theme	<input type="checkbox"/> <b>Transport investment</b> <input checked="" type="checkbox"/> <b>Regeneration and town centre investment</b> <input checked="" type="checkbox"/> <b>Cultural investment</b>
B9. Value of capital grant being requested for this project (£):	£1,600,000
B10. Value of match funding and sources (£):	£11,200,000 See appended fundraising strategy
B11. Value for Money	
<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment</p>	
<p>The following benefits are included within the BCR:</p> <ul style="list-style-type: none"> <li>• <b>Wider LVU</b> - Harmony Works will have lesser, but still significant, impacts.</li> <li>• <b>Active travel</b> - Having regard to the increased walking and cycling journeys which will be encouraged by the relocation of music services to a central location</li> <li>• <b>Labour supply benefits</b> - jobs created through the programme will lead to labour supply benefits as new entrants / re-entrants are attracted into the workforce</li> <li>• <b>Wellbeing of residents into employment</b> - applying a value of £11,180 to the number of full-time equivalent jobs assumed to be taken up by those not currently in work.</li> <li>• <b>Wellbeing from attending arts events</b> - based on audience numbers, and with a wellbeing value taken from DCMS's Culture and Heritage Capital Evidence Bank (Fujiwara 2014).</li> </ul>	

- **Wellbeing benefits from volunteering** - applied to the number of additional volunteers in the LUF funding scenario
- **Wellbeing benefits for young people** - including improved wellbeing from participating in youth groups, and the reduced lifetime costs of exclusions.
- **Productivity** – from increased wages and skills
- **Heritage**

B12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

The appraisal summary table below sets out the estimated costs and benefits of the Harmony Works project. It is estimated that the scheme will generate direct monetised benefits of just under £32.4 million.

The project has contributions from the private sector, which have been converted to constant prices and discounted, and had optimism bias applied, in order to arrive at a private sector economic cost.

The private sector contributions are taken into account in the assessment of value for money. The private sector contributions are subtracted from the total economic benefits for each project before the BCR is calculated, resulting in a net economic benefits figure of £28.545.

The net marginal economic costs (including Optimism Bias) are £8.812 million, resulting in an overall package BCR of 3.2:1.

<b>Net marginal economic costs and benefits (NPV, £m)</b>	<b>Harmony Works</b>
<b>Costs</b>	
<b>Net marginal public sector costs (including OB)</b>	£8.812
<b>Benefits</b>	
Wider LVU	£1.296
Active travel	£0.414
Labour supply benefits	£0.887
Wellbeing of residents into employment	£0.144
Productivity – skills uplift	£2.617
Productivity – wage premium	£1.018
Wellbeing from attending arts events	£5.996
Wellbeing benefits from volunteering	£1.116
Wellbeing benefits for young people	£6.945
Social value of heritage	£11.963
<b>Total Benefits</b>	<b>£32.397</b>
<b>Total Benefits less private sector contribution</b>	<b>£28.545</b>

<b>Total BCR</b>		<b>3.2:1</b>																															
B13. Where available, please provide the BCR for this project	3.2:1																																
B14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.	<p>The project will deliver strong non-monetised benefits similarly to Park Hill Art Space by levelling up access to arts and music across Sheffield. It will also create a strong sense of place and community.</p> <table border="1"> <thead> <tr> <th colspan="4">Weighting and scoring of the qualitative benefits</th> </tr> <tr> <th rowspan="2">Wider benefit</th> <th rowspan="2">Weight</th> <th colspan="2">Harmony Works</th> </tr> <tr> <th>Score</th> <th>Weighted score</th> </tr> </thead> <tbody> <tr> <td>Catalyst for investment</td> <td>25%</td> <td>8</td> <td>2</td> </tr> <tr> <td>Levelling up access to arts and music</td> <td>30%</td> <td>10</td> <td>3</td> </tr> <tr> <td>Sense of place and community</td> <td>20%</td> <td>8</td> <td>1.6</td> </tr> <tr> <td>Sustainable development</td> <td>25%</td> <td>6</td> <td>1.5</td> </tr> <tr> <td><b>Total</b></td> <td><b>100%</b></td> <td></td> <td><b>8.1</b></td> </tr> </tbody> </table>			Weighting and scoring of the qualitative benefits				Wider benefit	Weight	Harmony Works		Score	Weighted score	Catalyst for investment	25%	8	2	Levelling up access to arts and music	30%	10	3	Sense of place and community	20%	8	1.6	Sustainable development	25%	6	1.5	<b>Total</b>	<b>100%</b>		<b>8.1</b>
Weighting and scoring of the qualitative benefits																																	
Wider benefit	Weight	Harmony Works																															
		Score	Weighted score																														
Catalyst for investment	25%	8	2																														
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Sustainable development	25%	6	1.5																														
<b>Total</b>	<b>100%</b>		<b>8.1</b>																														
<p><b>B15. Deliverability</b>  Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.</p> <p>The following statutory procedures will be required to be achieved before the project can be constructed</p> <ul style="list-style-type: none"> <li>• Planning consent</li> <li>• Listed building consent</li> <li>• Building Regulations Approval</li> </ul>																																	
<p><b>B16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22</b></p> <p>As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22</p> <p>The programme included in <b>Appendix 7.2</b> sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for delivery. The result of this is that construction work will start within the 2021/22 financial year.</p>																																	

B17. Does this project includes plans for some LUF expenditure in 2021-22?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B19. Please provide evidence	<p>This project is not dependent on the other two projects contained within this bid: it could be delivered as a standalone project. The net benefit of each project would, however, be compounded should all three projects obtain the funding required to proceed. The projects represent a joined-up approach to the large-scale regeneration of an area by the conversion of three key heritage sites into cultural and community spaces. The three projects in combination have the potential to reshape and revitalise the Castlegate and Park Hill areas, creating a diverse and attractive cultural quarter.</p>
B20. Can you demonstrate ability to deliver on the ground in 2021-22.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B21. Please provide evidence	<p>The programme included in <b>Appendix 7.2</b> sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for delivery. The result of this is that construction work will start within the 2021/22 financial year.</p>
<b>Statutory Powers and Consents</b>	
B22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be	None obtained at the time of this application



<p>referenced in your project plan.</p>	
<p>B23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.</p>	<p>Planning consent – submission planned for 1 October 2021 and included in project programme</p> <p>Listed building consent – submission planned for 1 October 2021 and included in project programme</p> <p>Building Regulations Approval – Building regulation approval will ultimately be received on completion of the construction project. It will take the form of various submissions by the design team and contractor throughout the duration of the project.</p>

**Annex C – Project Three- description and funding profile** (only required for package bid)

Project 3	
C1. Project Name	Park Hill Art Space
C2. Strategic Linkage to bid:	
Please enter a brief explanation of how this project links strategically to the overall bid. (in no more than 100 words)	
<p>This is a national flagship project underlining Sheffield’s role as a key player in the North. Park Hill Art Space will act as a catalyst for the city’s visitor economy, be a creative industry incubator and encourage inward investment.</p> <p>This will complement the other projects, preserving and celebrating the history and heritage of Sheffield. Together, these three projects will provide a transformative step change to the scale and impact of Sheffield’s cultural and heritage infrastructure. Park Hill Art Space, the Castle site and Harmony Works will bring new life, activation and vibrancy to an important part of Sheffield.</p>	
C3. Geographical area:	
Please provide a short description of the area covered by the bid ( <u>in no more than 100 words</u> )	
<p>Park Hill Art Space is in the heart of the Park Hill Estate, located in the Manor Castle ward in the Centre of Sheffield. Park Hill estate is a Grade II* listed modernist building of international importance, which opened in 1961, following a post-war slum clearance. The estate overlooks Sheffield railway station and is adjacent to the city centre. Manor Castle ward is the most economically deprived on Sheffield’s 28 wards. It is located within the Sheffield Central parliamentary constituency.</p>	
C4. OS Grid Reference	SK 36165 87182
C5. Postcode	S2 5PN
C6. For Counties, Greater London Authority and Combined Authorities/Mayoral Combined Authorities, please provide details of the district council or unitary authority where the bid is located (or predominantly located)	Sheffield City Council
C7. Please append a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of	

particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	
C8. Project theme Please select the project theme	<input type="checkbox"/> <b>Transport investment</b> <input checked="" type="checkbox"/> <b>Regeneration and town centre investment</b> <input checked="" type="checkbox"/> <b>Cultural investment</b>
C9. Value of capital grant being requested for this project (£):	£2,639,106
C10. Value of match funding and sources (£):	£27,160,894 See appended fundraising strategy
C11. Value for Money	
<p>This section should set out the full range of impacts – both beneficial and adverse – of the project. Where possible, impacts should be described, quantified and also reported in monetary terms. However there may be some impacts where only a qualitative assessment is possible due to limitations in the available analysis. There should be a clear and detailed explanation of how all impacts reported have been identified, considered and analysed. When deciding what are the most significant impacts to consider, bidders should consider what impacts and outcomes the project is intended to achieve, taking into account the strategic case, but should also consider if there are other possible significant positive or negative impacts, to the economy, people, or environment</p>	
<p>The following benefits are included within the BCR:</p> <ul style="list-style-type: none"> <li>• <b>LVU</b> - Analysis of changes in land values, reflecting the economic efficiency benefits of converting land into a more productive use. A small amount of land value uplift will arise at Park Hill Art Space, based on the number of live / work units to be provided.</li> <li>• <b>Wider LVU</b> - The Art Space is expected to add 1.9% to the value of surrounding properties</li> <li>• <b>Amenity benefits</b> - Assumed to arise from the investment in the sculpture park at Park Hill</li> <li>• <b>Active travel</b> – Assessed having regard to the increased walking and cycling journeys which will be encouraged by the improvement of the Art Space</li> <li>• <b>Labour supply benefits</b> – Jobs created will lead to labour supply benefits as new entrants / re-entrants are attracted into the workforce. GVA benefits which arise from an increased labour supply are assessed over a ten-year period.</li> <li>• <b>Wellbeing of residents into employment</b> - Estimated by applying a value of £11,180 to the number of full-time equivalent jobs assumed to be taken up by those not currently in work.</li> </ul>	

- **Wellbeing from attending arts events** - estimated based on audience numbers, with a wellbeing value taken from DCMS's Culture and Heritage Capital Evidence Bank (Fujiwara 2014).
- **Wellbeing from volunteering** - applied to additional volunteers in the LUF funding scenario, using a wellbeing value from the HACT research
- **Productivity** – arising from the transfer of labour into more productive roles in the creative workspace at Park Hill, and through the enhanced skills
- **Heritage**

C12. It will be generally expected that an overall Benefit Cost Ratio and Value for Money Assessment will be reported in applications. If this is not possible, then the application should include a clear explanation of why not.

The appraisal summary table below sets out the estimated costs and benefits of the Park Hill Art Space project. It is estimated that the scheme will generate direct monetised benefits of more than £50 million.

The project has contributions from the private sector, which have been converted to constant prices and discounted, and had optimism bias applied, in order to arrive at a private sector economic cost.

The private sector contributions are taken into account in the assessment of value for money. The private sector contributions are subtracted from the total economic benefits for each project before the BCR is calculated, resulting in a net economic benefits figure of £49.144 million

The net marginal economic costs (including Optimism Bias) are £20.910 million, resulting in an overall package BCR of 2.4:1.

Net marginal economic costs and benefits (NPV, £m)	Park Hill Art Space
<b>Costs</b>	
<b>Net marginal public sector costs (including OB)</b>	£20.910
<b>Benefits</b>	
LVU	£0.081
Wider LVU	£2.153
Amenity benefit	£3.222
Active travel	£0.817
Labour supply benefits	£1.151
Wellbeing of residents into employment	£0.184
Productivity – skills uplift	£5.395
Productivity – wage premium	£1.791
Wellbeing from attending arts events	£29.191
Wellbeing benefits from volunteering	£0.563
Social value of heritage	£5.915
<b>Total Benefits</b>	<b>£50.462</b>

Total Benefits less private sector contribution	£49.144
<b>Total BCR</b>	<b>2.4:1</b>

C13. Where available, please provide the BCR for this project

2.4:1

C14. Does your proposal deliver strong non-monetised benefits? Please set out what these are and evidence them.

The proposal will deliver strong non-monetised benefits, in particular:

- Establishing a cultural anchor of national significance in Sheffield
- Levelling up access to arts and music across the city by providing increased opportunities for participation by young people and communities, at a highly accessible, dedicated city centre location, ensuring engagement can happen on a larger scale and to a greater depth, with long-term, potentially life-changing benefits
- Creating a strong sense of place and community by linking Sheffield's future as a city with a lively atmosphere, distinctive culture and green, healthy living environment directly to its heritage

Weighting and scoring of the qualitative benefits			
Wider benefit	Weight	Park Hill Art Space	
		Score	Weighted score
Catalyst for investment	25%	9	2.25
Levelling up access to arts and music	30%	9	2.7
Sense of place and community	20%	8	1.6
Sustainable development	25%	6	1.5
<b>Total</b>	<b>100%</b>		<b>8.1</b>

**C15. Deliverability**

Deliverability is one of the key criteria for this Fund and as such any bid should set out any necessary statutory procedures that are needed before it can be constructed.

The following statutory procedures will be required to be achieved before the project can be constructed

- Planning consent
- Listed building consent
- Building Regulations Approval

**C16. The Bid – demonstrating investment or ability to begin delivery on the ground in 2021-22**

As stated in the prospectus UKG seeks for the first round of the funding that priority will be given to bids that can demonstrate investment and ability to deliver on the ground in 2021-22

The programme included in **Appendix 7.3** sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for delivery. The result of this is that construction work will start within the 2021/22 financial year.

C17. Does this project includes plans for some LUF expenditure in 2021-22?

- Yes  
 No

C18. Could this project be delivered as a standalone project or do it require to be part of the overall bid?

- Yes  
 No

C19. Please provide evidence

This project is not dependent on the other two projects contained within this bid: it could be delivered as a standalone project. The net benefit of each project would, however, be compounded should all three projects obtain the funding required to proceed. The projects represent a joined-up approach to the large-scale regeneration of an area by the conversion of three key heritage sites into cultural and community spaces. The three projects in combination have the potential to reshape and revitalise the Castlegate and Park Hill areas, creating a diverse and attractive cultural quarter.

C20. Can you demonstrate ability to deliver on the ground in 2021-22.

- Yes  
 No

C21. Please provide evidence

The programme included in **Appendix 7.3** sets out the activities required to deliver the project. It has been prepared taking into consideration the nature of the project and the risks identified (particularly third party risks), to set out a robust plan for delivery. The result of this is that construction work will start within the 2021/22 financial year.

**Statutory Powers and Consents**

<p>C22. Please list separately each power / consents etc obtained, details of date acquired, challenge period (if applicable) and date of expiry of powers and conditions attached to them. Any key dates should be referenced in your project plan.</p>	<p>Planning and listed building consent – granted on 28 August 2019. The consent contains typical conditions which include the requirement to submit details of materials to be used for approval, and that the works have to commence within 3 years of the consent.</p> <p>Date of expiry: the development shall be begun not later than the expiration of three years from the date of the decision.</p> <p>There are a number of technical conditions relating to both consents:</p> <ul style="list-style-type: none"> <li>○ Approval of sample materials for external finishes by the Local Planning Authority</li> <li>○ Additional design details of elements of the façade to be approved by the LPA</li> <li>○ Masonry and other samples to be available on-site for approval by the LPA</li> <li>○ Approval of design and location of internal light fittings by the LPA</li> <li>○ Location and appearance of new services to be approved by the LPA</li> </ul> <p>The project programme shows that the work that the application relates to is planned to commence on 25 July 2022.</p>
<p>C23. Please list separately any <u>outstanding</u> statutory powers / consents etc, including the timetable for obtaining them.</p>	<p>Building Regulations Approval - Building regulation approval will ultimately be received on completion of the construction project. It will take the form of various submissions by the design team and contractor throughout the duration of the project.</p>

## ANNEX D - Check List Great Britain Local Authorities

Questions	Y/N	Comments
<b>4.1a Member of Parliament support</b>		
MPs have the option of providing formal written support for one bid which they see as a priority. Have you appended a letter from the MP to support this case?	Y	Appendix 1
<b>Part 4.2 Stakeholder Engagement and Support</b>		
Where the bidding local authority does not have responsibility for the delivery of projects, have you appended a letter from the responsible authority or body confirming their support?	Y	Appendix 2
<b>Part 4.3 The Case for Investment</b>		
For Transport Bids: Have you provided an Option Assessment Report (OAR)		N/A
<b>Part 6.1 Financial</b>		
Have you appended copies of confirmed match funding?	Y	Appendix 4
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.  Have you appended a letter to support this case?	Y	Appendix 5
<b>Part 6.3 Management</b>		
Has a delivery plan been appended to your bid?	Y	Appendix 6
Has a letter relating to land acquisition been appended?	Y	Appendix 5
Have you attached a copy of your Risk Register?	Y	Appendix 8
<b>Annex A-C - Project description Summary (only required for package bid)</b>		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.	Y	Appendix 9



## Annex E Checklist for Northern Ireland Bidding Entities

Questions	Y/N	Comments
<b>Part 1 Gateway Criteria</b>		
You have attached two years of audited accounts		
You have provided evidence of the delivery team having experience of delivering two capital projects of similar size and in the last five years		
<b>Part 4.2 Stakeholder Engagement and Support</b>		
For transport bids, have you appended a letter of support from the relevant district council		
<b>Part 6.1 Financial</b>		
Have you appended copies of confirmed match funding		
The UKG may accept the provision of land from third parties as part of the local contribution towards scheme costs. Please provide evidence in the form of a letter from an independent valuer to verify the true market value of the land.		
<b>Part 6.3 Management</b>		
Has a delivery plan been appended to your bid?		
Has a letter relating to land acquisition been appended?		
Have you attached a copy of your Risk Register?		
<b>Annex A-C - Project description Summary (only required for package bid)</b>		
Have you appended a map showing the location (and where applicable the route) of the proposed scheme, existing transport infrastructure and other points of particular interest to the bid e.g. development sites, areas of existing employment, constraints etc.		