

Project Mandate

VERSION 2 24.11.2021



1 - PROJECT DETAILS	
1.1 - PROJECT INFORMATION	
Project Name:	Sheffield City Council Stock Increase Programme- Bole Hill View
Project Location/ Address, including Post Code and Local Authority Area:	Eastfield Road, Sheffield, S10 1QL
Organisation Name, Size & Company Registration Number (if applicable):	Sheffield City Council, Town Hall, Pinstone Street, Sheffield, S1 2HH
Is your organisation an SME? If so, state size of organisation (Micro, Small or Medium)	N/A
Contact Name and Role:	Andrew Osborn Project Manager Housing Growth Delivery Service
Address:	As above
Email:	andrew.osborn@sheffield.gov.uk
Telephone:	07501093113
Other Delivery Partners and Roles:	Sheffield City Council – Capital Delivery Service Home England Contractors – various tbc
Estimated total project cost	Estimated Total Project Cost – £6.860m Indicative funding of £4.543m from Sheffield City Council's approved Stock Increase Programme. Unsecured Funding Gap - c£2.337m Possible gap funding for unlocking 36 units <ul style="list-style-type: none">• £2.058m- Homes England• £279k- SYMCA BHF @ c£8k per unit

2 – PROJECT SUMMARY

2.1 – Tell us about the project

Please provide a summary description of your project and what you intend to achieve. Why are you looking to embark on this project? What do you want to achieve? What is the problem you want to address or what is the opportunity? What is the project about?

The SCC SIP Bole Hill project will deliver 36 new affordable homes as part of the SCC's stock increase programme (SIP)

The SIP aims to grow the number of affordable homes in the city by a total of 3,100 units by 2029 – of which 1,600 units are projected to come from a new build programme. The SIP aims to reduce the affordable housing shortfall of 902* units per year in the city.

Funding for the SIP as a whole is modelled using a mix of these funding sources.

HRA Borrowing (in line with agreed affordability parameters)

Non HRA Investments (with specific rules on how the money can be used)

- Section 106 contributions
- Capital Receipts – Land
- RTB 1 for 1 Replacement receipts
- Shared Ownership Receipts

External Public Sector Investment (subject to funding programme criteria and bidding cycles)

- Homes England grant
- Housing Infrastructure Fund (one specific project)

The SIP undergoes continuous financial sensitivity monitoring and risk review to test modelling assumptions, and this has identified financial risks to the overall programme in which the Bole Hill project sits.

Specifically relevant to this bid the Scheme is challenged by abnormal costs linked to the topography and former use.

The previous care home requires demolition and geotechnical surveys have identified mining, quarrying and contamination issues on the site.

By bridging the unsecured funding gap on the Bole Hill project, it will enable SCC to deliver the entirety of the remaining SIP programme.

** Shortfall identified via the Sheffield City Council Strategic Housing Market Assessment (SHMAA)*

What do you hope to achieve by delivering the project?

The project aims to deliver the following OUTPUTS.

- **Construction of 36 new build energy efficient residential properties**

The project aims to deliver the following OUTCOMES:

- New affordable homes to meet the councils identified affordable housing need
- Maintenance of a financially viable SCC SIP programme which will allow for all programmed AH homes to be brought forward by 2029
- Reduction of 'in-use' carbon for occupiers of the new built properties
- Generation of local jobs during the construction phase and longer-term maintenance roles

3 – STRATEGIC ALIGNMENT

3.1 - How will your project contribute to the delivery of the MCA's Policy Objectives and to the outcomes of the Strategic Economic Plan?

For details of Strategic Economic Plan (SEP)

<https://sheffieldcityregion.org.uk/wp-content/uploads/2020/08/SCR-SEP-Final.pdf>

As described in section 2.1, the project aligns with the SEP priorities and specifically addressed the Greener, Fairer, Stronger principles in the following ways;

- Greener - The new build properties will be constructed to a high energy efficiency standard - adopting a fabric first approach which builds homes which deliver 77% lower CO2 emissions than current required standards/ future proofed for photovoltaic cells and other electrification systems. The new build properties will also use air source heat to replace gas boilers as the primary source of heating. Only one gas boiler will be installed as a top source of heat with the remaining 5 replaced by the electric heat pumps.
- Fairer – The provision of new affordable homes built to incorporate Lifetime home principals to help tackle health inequalities. Freeing up other homes for families and individuals in need of such accommodation
- Stronger – The proposed development will create jobs in the local economy during the construction. The scheme will use the council's new ethical procurement policy to increase the potential growth of the Sheffield '£' and asks contractors to demonstrate the use of local Sheffield suppliers. It also includes 2 mandatory new tests to evaluate local economic impact of a contract being awarded

(guidance or table on Core Indicators to be inserted here – from Policy??)

Is the SYMCA acting as a 'Change Agent'?

No - the SYMCA's contribution to this scheme will provide gap funding on a specific project which will maintain the modelled financial position of the wider SCC'S SIP programme - SYMCA will not be acting as a Change Agent

Is this scheme delivering 'Transformational Change'?

No – the overall SCC SIP programme does represent a big change in the council's approach to the delivery of AH in Sheffield, but the project doesn't deliver transformational change.

4 – SYMCA SUPPORT REQUIRED

4.1 How can the South Yorkshire MCA support the delivery of the project?

If you know what support you need from the MCA, please state this here. This includes any financial or in-kind support and when you will need this. For financial support, a range estimate will suffice at this stage.

Please note that the MCA will seek a financial return for our investment, wherever this is appropriate. Applicants are required to discuss and agree the broad outline of any financial investment you may be seeking with the relevant MCA Executive Officer, prior to submitting this form.

Financial – (Grant – No ROI) – c£279k

The gap for the abnormal costs identified through the RIBA 2 cost plan (plus wider programme financial modelling) done to date on the project by the Council's Capital Delivery Service has been identified as £279k. It is expected that SCC can apply for Homes England SOAHP to secure c£2.058m in affordable housing funding – this will be explored.

The SYMCA grant funding would contribute to the overall viability of the scheme addressing the cost of the site abnormalities. The financial profiling has identified that the funds would be required in 23/24.

Business Case Support – via BHF Critical Friend

If accepted onto the BHF pipeline (or reserved pipeline), the scheme would like BHF critical business case support to help develop the economic case on this project.

Are SYMCA the 'Funder of Last Resort'?

Yes – After Homes England funding is maximised, which will be done on a project-by-project basis. To deliver the full SCC SIP programme, BHF is the funder of last resort.

5 - CONSULTATION	
5.1 – Who have you consulted with about the project idea?	
South Yorkshire MCA	Yes
Local Authority	<i>Project Sponsor is SCC</i>
Other consultees, for example:	
Local community	Via planning
Relevant businesses	Via planning
Environment Agency	Via planning
Highway Authority	Via planning
Planning Authority	Via planning
<i>Please insert others as appropriate</i>	

7 – TIMESCALES FOR DELIVERY
7.1 – What is the earliest date that the project can commence delivery?

[Please advise the date and any dependencies]

The Project is projected to start in April 2023. The SYMCA assurance process as it stands would require the following stages and timeframes.

- **Project Mandate Form**
 - Agreed with Programme Development **no later than 25/05/2022** for June HIB
- **BJC**
 - Submitted to Programme Development **no later than (exact date TBC)** for the April 2023 HIB (when final costs are established)

The overall deliverability of the scheme is v.good - the project on Council land and part of the SCC SIP with considerable LA resources focused on it.

Risk = LOW

The risk at the time that the BJC will go through assurance is likely to be LOW – The Homes England contribution will be known, and the tender process will be complete. The scheme will need to transfer risk to contractors and hold a sufficient contingency.

The Homes England contribution will be known October 2022 although dialogue with Homes England is ongoing for the SIP pipeline.

7.2 – Please outline the key milestones required to deliver the project and provide forecast dates for achievement.

[e.g., complete outline design, secure all funding, procurement complete, statutory processes complete]

Pre-planning advice	Underway
RIBA Stage 2 + cost estimates	Completed
Acceptance onto SYMCA pipeline	June 2022 (PM Form deadline 25/05/2022)
Planning Decision	September 2022
Decision on Homes England Grant	October 2022
Finalisation of Construction Contract	February 2023
SCC final business case approval	March 2023
SYMCA BJC	April 2023
SOS	April 2023
Handover	April 2024

8 – DEPENDENCIES

8.1 – Is the project linked to or dependent on any other project or activity, especially one the MCA may be involved in?

[Please advise if the delivery or success of the project is dependent on any other project or activity taking place]

All SCC SIP projects are financially linked as there is a fixed budget for the overall SIP programme

8.2 – Are there any statutory processes required for you to deliver the project?

[Please advise if the project will require planning permission or other statutory approvals prior to commencement. If so, please provide more detail on progress and the forecast timescales for achievement?]

Yes – Appropriate planning approval