

Item 8 Appendix B – Hemsworth Project Mandate

VERSION 2 24.11.2021

1 - PROJECT DETAILS	
1.1 - PROJECT INFORMATION	
Project Name:	Sheffield City Council Stock Increase Programme- Gleadless Valley- Hemsworth Scheme
Project Location/ Address, including Post Code and Local Authority Area:	Constable Road, Sheffield, S14 1GJ
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	<p>Estimated Total Project Cost – £20.173m</p> <p>Indicative funding of £13.227m from Sheffield City Council's approved Stock Increase Programme.</p> <p>Unsecured Funding Gap - c£6.946m</p> <p>Possible gap funding for unlocking 81 units;</p> <ul style="list-style-type: none"> £6.052m- Homes England £894k- SYMCA BHF @ c£11k 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 Hemsworth project will deliver 81 new affordable homes as part of the SCC's stock increase programme (SIP), specifically delivering the 81 homes as specialist older persons accommodation. The project is a key early element of the Gleadless Valley masterplan delivering a potential rehousing option for later phases of remodelling / redevelopment across Gleadless Valley. A key goal of the masterplan is to increase the choice, mix and quality of homes in the area.

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 Hemsworth project sits.

Specifically relevant to this bid the Hemsworth scheme is challenged by abnormal costs linked to the topography and former use of the site.

The site slopes and there is low level contamination across the site, Additional ground works related to sub structure of the former school located on the site are required, along with additional wildlife mitigation measures for sections of the site in order form connections to established woodland.

By bridging the unsecured funding gap on Hemsworth, 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 81 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
- the creation of specialist Older Persons Independent Living accommodation to better meet the needs of individuals currently in unsuitable homes, enabling the option to downsize and freeing up much need family homes
- 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
- Deliver a key project as part of the Gleadless Valley masterplan providing a specialist rehousing option for residents affected by redevelopment in the wider Gleadless Valley area
- Generation of local jobs during the construction phase and longer-term maintenance roles
- The development includes a café which serves the residents and the wider community; this will provide employment opportunities and help support the local economy. In addition, the community Hall is available for use by the wider community to run local classes and providing space for teaching of skills and knowledge that will improve employment potential within the community.
- The site is adjacent to a sports pitch which it is proposed to improve as part of the delivery of the wider Gleadless Valley masterplan.

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.
A group of mature trees is present to the North West of the site which offer ecological value. This area is being enhanced to create a new environment for a protected species which occupies another part of the site. The green boundaries to one part of the site are also being enhanced to create a foraging run between the site and nearby woodland. Green principals are embedded in the Gleadless Valley Masterplan. Specific goals include:

- ❖ Preserving and enhancing the local character, heritage and wildlife

- ❖ Promoting better use and care of the valleys green and open spaces
- ❖ Delivering services and facilities that meet the needs of the valley and improve play and recreation provision

- 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 council's new ethical procurement policy to increase the potential growth of the Sheffield '£' and ask 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'?

Yes – the overall SCC SIP programme does represent a big change in the council's approach to the delivery of AH in Sheffield, In addition the scheme is an important early element of the Gleadless Valley masterplan which is investing over £100m in an area covering 4600 homes.

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£894k

The gap for the abnormal costs identified through the high-level costings (plus wider programme financial modelling) done to date on the project by the Council's Capital Delivery Service has been identified as £894k. It is expected that SCC can apply for Homes England SOAHP to secure c£6.1m 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 and the public consultation leading to the development of the approved Gleadless Valley masterplan.
Relevant businesses	Via planning
Environment Agency	Via planning
Highway Authority	Via planning
Planning Authority	The scheme secured a planning approval in January 2022

6 – TIMESCALES FOR DELIVERY

6.1 – 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 May 2023 The SYMCA assurance process as it stands would requires the following stages and timeframes.

- **Project Mandate Form**
 - Agreed with Programme Development **no later than 29/07/2022** for August HIB
- **BJC**
 - Submitted to Programme Development for the April 2023 HIB

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 by January 2023 although there is ongoing dialogue with Homes England about the SIP pipeline.

6.2 – 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	Complete
RIBA Stage 2 + cost estimates	Complete
Acceptance onto SYMCA pipeline	August 2022 (PM Form deadline 30/07/2022)
Appointment of Contractor	August 2022
Contractor Stage 2 design complete	December 2022
SCC final business case approval	February 2023
SYMCA BJC	February 2023
Award of Contract	March 2023
SOS	April 2023
Handover	March 2025

7 – DEPENDENCIES

7.1 – 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 but as this project is earlier in the programme it is not yet dependent on the final costs of other projects.

7.2 – 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 – Discharge of planning conditions in relation to the secured planning approval

Document Sign Off

8 – DECLARATION AND SIGN OFF

On signing the Project Mandate Form the project sponsoring organisation agrees to the following:

1. *The South Yorkshire (SY) Mayoral Combined Authority (MCA) is a public body and is therefore subject to information/transparency laws and the Local Government Transparency Code 2015. This Project Mandate Form will be shared with the appropriate SYMCA Boards including the MCA and Local Enterprise Partnership (LEP). In line with legislation, papers to the MCA and LEP meetings are published in advance and made publicly available. These papers will detail the applicant and summarise the SBC in sufficient detail to allow the members to take an informed decision. At this point, under Local Government access to information provisions, the SBC may have to be made available for inspection to any member of the public who requests it.*

Once a project is admitted onto our programme pipeline, in line with MCA's Assurance and Accountability Framework and Freedom of Information Act (FOI) Publication Project, the Mandate Form must be published on the applicant's and the SYMCA website.

For this purpose, you may wish to also send a redacted copy stating any exemption or exception applied under FOI or Environmental Information Regulations. We will consider any requested redaction. Any comments received after publication are required to be reflected in SOBC, the OBC and FBC if the project progresses further. MCA will require evidence of this through the assurance process.

2. *MCA support is not allocated to a project at this stage. The Project Mandate Form is the means by which the MCA can accept project ideas into the Programme Pipeline. Further project development and submission of SOBC, OBC and FBC in line with the Assurance Framework will be required.*
3. *To the best of your knowledge all the information provided in this Project Mandate Form is true and correct. You acknowledge that the information provided will inform any future contract should a decision be made to support the project.*
4. *You will comply with due diligence requirements appropriate to this project. This will be conducted by the SYMCA Executive Team and further details will be provided if the project progresses further.*

Person responsible for the application (Chief Executive or relevant Executive Director in your organisation)	
Name:	Janet Sharpe
Role:	Director of Housing
Date:	11th August 2022
Counter signatory – Director of Finance	
Name:	Elizabeth Gough
Role:	Head of Finance & Commercial Business Partnering
Date:	12 th August 2022

Signature of the appropriate thematic Director in the SYMCA	
Name:	
Role:	
Date:	
For MCA Use Only	
Programme/Project Reference Number:	
Date Received/ Accepted:	
Version Number:	
Summary of Amendments: (if applicable)	