

Appraisal Panel Summary**Scheme Details**

Project Name	Sheffield Heart of the City Breathing Spaces		
Grant Recipient	Sheffield City Council		
SCR Executive Board	Infrastructure	SCR Funding	£6m GBF £4m
% SCR Allocation	50%	Total Scheme Cost	£12m

Appraisal Summary

Project Description
<p>The transformation/renewal of Sheffield City Centre has been underpinned by high quality new public spaces and connectivity between them. This has driven demand for commercial and residential development, attracted new businesses and is a key element of Sheffield's distinctiveness. This project will enhance the City Centre Transforming Cities Funds proposals and approved SCC capital funding within the Heart of the City budget.</p> <p>Up to three new spaces will be created: a landscaped pocket park on Block G including a cycle hub; a vibrant small square on Carver Street with seating terraces for adjoining cafes and civic space and expanding the Peace Gardens between the Town Hall and proposed Radisson Blu hotel on Pinstone Street. The new spaces adjoin developments within the £480m Heart of the City2 project and will increase attractiveness to occupiers and visitors.</p>
Strategic Case
<p>The applicant sets out a clear strategic rationale, linking the direct contributions that will be made to the National Planning Policy Framework (NPPF) and national Plan for Growth, government aims to Rebalance the Economy¹ and reinvigorate high streets, the SCR Transport Strategy, the SCC Breathing Spaces Strategy, SCC Local Plan and wider plans for development of Sheffield City Centre, tackling the climate emergency and requirement for reductions in carbon emissions.</p> <p>The project aligns closely to SCRMCA SEP and Renewal Action Plan objectives.</p> <p>It should be noted that the alternative option, to construct a multi-storey car park may deliver larger scale direct financial and economic benefits. However, given the strategic case and core objectives put forward for the project we believe it is appropriate to discount such an option at the longlist stage.</p>
Value for Money
<p>As the project appears to be integral to the aims and objectives for the wider HoC2 scheme an assessment of the Benefit Cost Ratio (BCR) that could be associated with the full £42 million of public funding required for the wider scheme has been undertaken by the Assurance Team (£4million GBF, £2m TCF, £6m SCC funding and a further £30m SCC funding required for the H2 Office block)</p> <p>This BCR suggests that the employment associated with the wider scheme would generate £328m in gross GVA over ten years and £127m in net additional benefits. Discounted at 3.5% this suggests a NPV of £105m. Set against the NPV of £42 million of public funding, this implies a BCR of 2.6 : 1, i.e. £2.60 of net additional benefits would be generated for every £1 of public funding contributed.</p> <p>This would represent strong value for money, in line with the benchmark set by the DCLG 2016 Appraisal Guide.</p>
Risk
<p>The Appraisal Panel should be aware of the risk associated with a failure to secure funding for the Rockingham and Pinstone Street TCF proposals. While this does not compromise the overall case for</p>

¹ BIS (2016). 'Rebalancing the Economy'

GBF funding, it would be likely to reduce the value for money associated with HoC2. The relationship between the schemes should be considered when appraising the case for TCF investment.

Ongoing uncertainty surrounding COVID-19 means that demand for office take up will remain uncertain, at least until HoC2 office developments are completed. This could affect the scale of benefits generated through the project. Nonetheless, we believe the strategic and environmental case for investment in the project is strong enough to warrant public investment regardless.

Delivery

The applicant has set out a clear account and plans for risk management, project delivery, governance and management. The applicant has set out a clear and realistic set of delivery milestones, and timetabling for key dependencies, including around:

- the procurement of a contractor for the new square at Carver Street (scheduled for completion in October 2020)
- planning permission for the pocket park on Block G (expected to be uncontroversial)

GBF funding is recommended to be conditional on approval for both the Carver Street square and pocket park on Block G.

Delivery of the proposed scheme appears feasible, despite some disruption to Carver Street (see appraisal Strategic Assessment). Proposed milestones appear realistic.

Legal

The proposed scheme will invest in public goods on publicly owned land. Although it will complement wider HoC2 commercial developments, it will not support them directly. As such State aid requirements do not apply.

Recommendation and Conditions

Recommendation	Full award subject to conditions
Payment Basis	Payment on defrayal
Conditions of Award (including clawback clauses)	

The following conditions must be satisfied before contract execution.

1. Detailed milestones which will be monitored against, and if not met, may result in funding being withdrawn or clawed back.

The following conditions must be satisfied before drawdown of funding.

2. Following the procurement of a contractor, SCC to confirm the final tender price is consistent with the FBC Financial Case
3. SCC to confirm that Planning permission for Carver Street Square and the pocket park on Block G has been secured
4. Agree detailed schedule of inclusive growth indicators and targets (e.g. % of [previously unemployed] locals offered permanent contracts and apprenticeships, mentoring and school engagement and engagement with the local supply chain) to ensure the project delivers wider social and economic benefits and that these can be captured, monitored and reported. This should include monitoring the use of green spaces, any benefits generated by those users and any neighbouring commercial developments.

Record of Recommendation, Endorsement and Approval

Sheffield Heart of the City Breathing Spaces

Appraisal Panel Recommendation		Board Endorsement		MCA Approval	
Date of Meeting		Date of Meeting		Date of Meeting	
Head of Paid Service or Delegate	Ruth Adams Deputy CEX	Endorsing Officer (Board Chair)		Approving Officer (Chair)	
Signature		Signature		Signature	
Date		Date		Date	
S73 Officer or Delegate	Simon Tompkins Finance Manager	Statutory Finance Officer Approval Name: Signature: Date:			
Signature					
Date					
Monitoring Officer or Delegate	Steve Davenport SCR CA Solicitor				
Signature					
Date					