

# SHEFFIELD CITY COUNCIL

## Economic and Environmental Wellbeing Scrutiny and Policy Development Committee

### Meeting held 30 November 2017

**PRESENT:** Councillors Denise Fox (Chair), Ian Auckland (Deputy Chair), Mike Chaplin, Neale Gibson, Abdul Khayum, Ben Miskell, Robert Murphy, Moya O'Rourke, Colin Ross, Jackie Satur, Ian Saunders, Martin Smith and Paul Wood

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#### **1. APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillor Gail Smith.

#### **2. EXCLUSION OF PUBLIC AND PRESS**

2.1 No items were identified where resolutions may be moved to exclude the public and press.

#### **3. DECLARATIONS OF INTEREST**

3.1 In relation to Agenda Item 8 (Protecting Sheffield from Flooding – Programme Update), Councillor Paul Wood declared a personal interest as an owner of land on Greasborough Road, very close to the River Don scheme.

#### **4. MINUTES OF PREVIOUS MEETINGS**

4.1 The minutes of (a) the meeting of the Committee held on 13<sup>th</sup> September 2017, and (b) the special meeting of the Committee held on 2<sup>nd</sup> November 2017, were approved as correct records.

#### **5. PUBLIC QUESTIONS AND PETITIONS**

5.1 The Committee received the following questions from members of the public:-

5.2 Annette Taberner

Were Members aware of what has been happening in Nether Edge, Meersbrook, Topley and Dore, in connection with the removal of trees under the Streets Ahead Programme?

There have been instances of unmarked security guards, some masked, assaulting protesters and on one occasion, a resident in his own garden, when objecting to the tree-felling. The security guards and their supervisors have been refusing to show their ID. Felling has been taking place above people's heads and over parked cars. Streets have been totally blocked off, resulting in buses transporting disabled children not being able to gain access to their homes, meaning the driver was having to walk them to their homes, raising safeguarding concerns.

Is this Scrutiny Committee the responsible body to oversee and scrutinise the

Streets Ahead contract?

Felling is clearly not a last resort, and engineering solutions used throughout the country were not being used to retain healthy trees, despite residents being told they are costed into the contract.

How is the implementation of the contract being monitored this week, given the afore-mentioned allegations?

What are the forward plans for next year, and how many more fellings can we expect?

Are there plans for a proper maintenance?

Are there any plans to consult with residents?

Air pollution is very high – many reports, including one very recent one, shows how trees help mental and physical health – why are so many being felled?

What are the lines of accountability?

5.2.1 The Chair stated that a written response would be provided to Ms Taberner.

5.3 Nigel Slack

Has any decision been made by John Lewis or the Council as to the future of the store by way of location?

5.3.1 Councillor Mazher Iqbal (Cabinet Member for Business and Investment) stated that discussions were still ongoing with regard to this issue.

## **6. SHEFFIELD RETAIL QUARTER - HEART OF THE CITY PHASE 2**

6.1 The Committee received a report from the Director of City Centre Development, providing an update in terms of the Sheffield Retail Quarter – Heart of the City Phase 2.

6.2 In attendance for this item were Councillor Mazher Iqbal (Cabinet Member for Business and Investment) and Nalin Seneviratne (Director of City Centre Development).

6.3 Councillor Mazher Iqbal stated that although it had taken a considerable length of time to reach this stage, construction works in respect of the Sheffield Retail Quarter – Heart of the City Phase 1 had now commenced, with the construction of the HSBC offices being at an advanced stage. He stated that with this development, and the improvements, and further developments to be made, in respect of The Moor, major steps would be taken in terms of the transformation of the City Centre.

6.4 Nalin Seneviratne introduced the report, which set out details, including financial information, with regard to the delivery of Phase 1, together with information on the plans for Phase 2. Mr Seneviratne referred briefly to the history of the scheme, specifically to the reasons for the delays and reported on the development works in respect of Phase 1 of the scheme, which included 56,000 square feet of new retail and leisure space, together with 140,000 square feet of new offices, with a major pre-let to HSBC. The Phase 1 works were focused around high quality public realm, linking the development to the redevelopment of The Moor, and the decision

by HSBC to retain their offices in the City had been viewed as a major driver in terms of future development plans. He stated that work was continuing in connection with the revised Masterplan, which it was hoped would provide a catalyst both in terms of those companies who had expressed an interest in renting space, and new companies being attracted to the City, and which would hopefully be completed sometime in early 2018. Mr Seneviratne indicated that the Council was very mindful of the changes in current retail offer, and had recognised the importance of the leisure component of such large retail schemes in the light of the change in shopping behaviours, and that this change would be reflected in the revised Masterplan.

6.5 Members of the Committee raised questions, and the following responses were provided:-

- The Council was currently in discussions with John Lewis, in connection with their involvement as part of the scheme, and it was hoped that there would be further to report on this issue in early 2018.
- Whilst the overall construction cost of the scheme had previously been reported as totalling £350 million, the Council won't necessarily have to deliver the whole scheme. As part of the revised Masterplanning process, the Council was currently working on where it needed to invest.
- In terms of the land assembly and enabling works, which totalled £61.2 million, this work, which included a number of Compulsory Purchase Orders, had been largely completed, with the land being secured for development. The only outstanding work in connection with this involved the need to agree terms with one or two tenants.
- The retail and office elements of the scheme were being undertaken as an investment, with planned cost recovery through a sale of the completed building or through rental income received by retaining ownership. The exact exit, or sale route, would be determined after considering the relative values and merits of the options available. Whilst there was always going to be an element of risk attached to this practice, it was considered that such risks were small.
- Discussions in terms of the cost options were to be held in early 2018 between the Cabinet Member for Business and Investment, and other relevant Cabinet Members, and the Director of Finance and Commercial Services, after the revised Masterplan had been drafted.
- As a result of the non-disclosure agreement between the Council and HSBC, it was not possible to report on the rental value of the Company's office space within the overall scheme. The total area of office space to be occupied by HSBC was nearly 140,000 square feet, including new offices and atrium. In addition, a further 25,000 square feet of office accommodation was being constructed.

- The 'Click and Collect' arrangement operated by John Lewis would be maintained and catered for as part of the new development, therefore every attempt would be made to ensure that customers could access this facility in their cars.
- Due to the fact that the retail sector was struggling nationally, a decision had been made to change the mix of the development in order to accommodate this change. The original scheme had comprised mainly retail, but it had now become apparent that there was a need to reflect on how shopping had, and would continue to, evolve into more of a leisure activity. The other aspects of the scheme - office accommodation and residential accommodation - were also deemed important in terms of its long-term viability, on the basis that having more workers in the City Centre would hopefully result in more people using the facilities during the week, and more people living in the City Centre would hopefully result in an increase in such use all week.
- The Council was working closely with Aberdeen Asset Management in connection with the future development of The Moor, including securing occupancy of more of the vacant shop units.
- There were no details at the present time in terms of the proposed mix of housing as part of the scheme.
- There were no details at the present time in terms of secure tenants as part of Phase 2 of the scheme, although discussions had been, and would continue to be, held with prospective tenants. There were a number of offers from prospective tenants, which were subject to further discussions. Due to such on-going discussions, which included commercial issues, it was not possible to announce any names at this stage. However, the Council was confident that, with an excellent team working behind the scenes, announcements would be made sometime early in 2018. There would also be further announcements in terms of developments in respect of The Moor.
- Whilst income from business rates was viewed as a key element in terms of the success of the scheme, there had been no conversations with any businesses as regards business rates in connection with Phase 2 of the scheme.
- The City Centre masterplan would clarify what arrangements and plans would be taken forward to ensure good access and egress from the City Centre.
- Whilst there would be huge benefits, specifically in terms of the reduction in air pollution, if companies could offer free delivery of goods ordered on-line, this would result in further costs for the retailers, who were already struggling in a very competitive market. Whilst the Council had an interest, it was the responsibility of retailers to work out how best they could attract customers.
- Whilst HSBC were the only major company who had signed up to Phase 1 of the scheme, there would be announcements in terms of other businesses in

early 2018. Work would continue on the revised Masterplan, which was key to attracting further businesses, and when the Masterplan had been completed, this would help to fully market the rest of the scheme, by showing the proposed mix of uses.

6.6 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the responses to the questions raised;
- (b) requests the Director of City Centre Development to attend its meeting to be held on 31<sup>st</sup> January 2018, and submit a report on the revised Masterplan and delivery strategy, and providing details, where possible, in terms of further investors in the scheme; and
- (c) thanks Councillor Mazher Iqbal and Nalin Seneviratne for attending the meeting, and responding to the questions raised.

## **7. PROTECTING SHEFFIELD FROM FLOODING - PROGRAMME UPDATE**

7.1 The Committee received a report of the Director of City Centre Development providing an update on the Protecting Sheffield from Flooding investment programme. The report set out details of the progress of the various schemes being implemented in the City, in partnership with the Environment Agency, which would invest in the City's flood and drainage infrastructure, and aim to protect communities, as well as supporting commercial and housing growth in Sheffield's main river valleys.

7.2 In attendance for this item were Jim Fletcher (City Council Food and Water Manager), David Brown (City Council Principal Project Manager, Major Projects), James Mead and Victoria Saynor (Environment Agency), Liz Ballard (Chief Executive, Sheffield and Rotherham Wildlife Trust) and Nalin Seneviratne (Director of City Centre Development).

7.3 Prior to the consideration of the report, the Committee received a number of questions from members of the public, as follows:-

7.4 Jude Lamb

As you are aware, there is a very high level of opposition to the proposal for a flood storage area to be located at the Roscoe site at Rivelin. The scheme would destroy a well-loved and well-used natural beauty spot, rich in heritage and wildlife. We understand that this flood storage area is now described as a last resort, dependent on negotiations with Yorkshire Water. Please can you explain, besides Yorkshire Water and the flood storage dam, what other options are being explored for the Rivelin/Loxley part of the river system, and what comparative impact assessments were made across the original 16 possible flood storage areas that led to such an unpopular option still being on the table at such a late stage in the process.

7.4.1 The Chair stated that a response would be provided as part of information to be reported in connection with the report.

7.5 Nigel Slack

7.5.1 Many concerns have been expressed about the potential damage that these proposals may cause to internationally significant industrial heritage assets in the Upper Don valleys, including Historic England, as well as local groups, yet heritage is not mentioned in this report. Can the Council explain who will be part of the Natural Flood Management Working Party, and whether, if they are not already part of this Working Group, they will be consulting with organisations like the South Yorkshire Industrial Trust and the Waterway Group on what they suggest would be multi-million pound damage to heritage assets in these areas of intrusive flood management.

7.5.2 The Chair stated that a response would be provided as part of information to be reported in connection with the report.

7.6 Trevor Bagshaw

7.6.1 Bradfield Parish Council is concerned that there has been no ongoing dialogue with stakeholders, and want to know about the proposals affecting Oughtibridge, particularly those which touch on the Parish Council's property - Coronation Park. This is urgent as the Parish Council is considering undertaking works to the Park and its environment.

7.6.2 The Chair stated that a response would be provided as part of information to be reported in connection with the report.

7.7 Brian Holmshaw

(a) At least two of these flood protection methods result in the destruction of significant industrial archaeology, including a weir that is over 300 years old. What discussions has there been with relevant local industrial archaeological organisations – South Yorkshire Industrial History Society, South Yorkshire Archaeology Service and Wortley Top Forge – to mitigate damage to existing archaeology, both in and around the waterways?

(b) In December 2016, Sheffield and Rotherham Wildlife Trust asked for full environmental impact assessments at the places where major structural changes are planned. Have any been made and where can we see them?

(c) How many organisations are part of the stakeholder group that the City Council and Environment Agency are working with, and who are they?

7.7.1 The Chair stated that a response would be provided as part of information to be reported in connection with the report.

7.8 Graham Appleby (Submitted prior to meeting, and raised in his absence)

7.8.1 If the City Council has designs on building homes and businesses in the Don Valley flood plain to create an estimated income of some £80 million, has consideration been given to building 'flood proof' buildings? In areas that flood around the world, buildings are often raised above the level of any flood water. This approach may help reduce the need for such drastic flood retention schemes as are being planned.

7.8.2 The Chair stated that a response would be provided as part of information to be reported in connection with the report.

7.9 Liz Ballard, attending on behalf of the Sheffield and Rotherham Wildlife Trust, referred to the Trust's request at the Scrutiny Committee meeting on 30<sup>th</sup> November, 2016, for a strategic partnership to be formed to work with the Council and the Environment Agency, to add value and inform the 'Protecting Sheffield from Flooding' programme. She stated that, unfortunately, there has only been one 'inaugural' meeting in May 2017, with no future meetings planned. Ms Ballard provided an update in terms of the work undertaken by the Trust, which had included applying for additional funds, albeit unsuccessfully, to support natural flood risk management projects in Sheffield, to compliment the Council's proposals. The Trust had also been exploring the feasibility of Natural Flood Management (NFM) delivery in west of Sheffield (Upper Don catchment), in collaboration with the Environment Agency, but had struggled to secure the data from Arup Associates to inform this process, but once this data had been received, with the assistance of the Environment Agency, the Trust found that when ground truthing some potential intervention sites, with Yorkshire Water and Sheffield Hallam University, the modelling did not relate to reality on the ground. The Trust had also had a team visiting a wide range of other locations in the area, with a view to assessing potential NFM project locations with landowners/farmers and during these visits, they had identified that many sites currently under the ownership of the Council already had an important role in containing and slowing water through their low intensity agricultural habitats. Ms Ballard stated that the Trust requested the Council to consider assessing and recognising the existence of NFM services offered by the Council's farmed estate and strongly recommended that more work was undertaken to determine exactly what NFM currently exists and the gains that could be made in the catchment to the west of Sheffield.

7.10 Ms Ballard stated that the Trust had invested considerable effort in NFM on the Rother, between Sheffield and Rotherham, and again, strongly urged the Council to ensure that 'Protecting Sheffield from Flooding' does not result in moving the problem to Rotherham. It was suggested that a wider catchment approach was needed, and the Trust was already looking at a number of options, with the Environment Agency, to improve flood storage on site between the two urban areas. One example included recent investment in improvements at Woodhouse Washlands Nature Reserve, with further work planned to assess whether this site could hold more water in the future. In terms of Rivelin/Roscoe, the Trust had met with the Rivelin Valley Conservation Group to look at the proposed scheme and landscape drawing, and Ms Ballard re-iterated her concerns with regard to the proposed height of the barrier or dam-like structure.

- 7.11 Jim Fletcher referred to the report, indicating that whilst the Lower Don Valley flood defence scheme was scheduled to be fully completed in January 2018, the Upper Don Valley and Sheaf catchment flood alleviation schemes had proved very challenging. Although the cost of the schemes was significant, it was hoped that, by adopting a phased approach, and working on funding packages in respect of each phase, the necessary funding would be secured to finance the full schemes and in time, achieve a protection standard equivalent to the 2007 floods. There had been issues relating to funding the schemes that have prolonged the current early stage of scheme development. However, progress had continued in moving from the scoping/concept stage; appraising the short list of options announced earlier in the year, and moving to a preferred options stage. Mr Fletcher made specific reference to the Sheffield Natural Flood Management Working Group, which had been established by the Council and the Environment Agency, with relevant Trusts and organisations, details of which would be provided to Members. Those preferred catchment-wide options, including “slowing the flow” measures, would provide a high quality flood protection standard and system, both for Sheffield and downstream locations.
- 7.12 James Mead (Environment Agency) stated that the Agency had worked with a number of partners involved in peatland restoration in an effort to further understand the relationship between peatland restoration and flood risk, as well as other benefits for water that can potentially be achieved. Whilst moorland restoration could reduce runoff at a local scale, it remains difficult to demonstrate significant change at the catchment scale. Mr Mead stated that upland land management measures should be seen as one part of an integrated approach to flood risk management. They need to be complemented by other management options on floodplains downstream, hard engineering solutions, and decisions which steer development away from vulnerable sites. Whilst there remains much debate about the role of land management in mitigating flooding, what is in no doubt is that the support of land owners and the local community is critical to their success.
- 7.13 In terms of the responses to the questions raised by members of the public, it was stated that, with regard to the options being explored for the Rivelin/Loxley part of the river system, the Environment Agency was working closely with Yorkshire Water in terms of utilising compensation reservoirs above the City to store flood water. In respect of the impact of the proposals on heritage, it was reported that Historic England had been involved in the consultation process, and had visited all the sites involved, being informed of all the partnership’s options. Historic England had raised some concerns with regard to the options, and it was planned that further consultation would be held with that Organisation, and other key stakeholders, when more detailed proposals had been formulated. With regard to the concerns expressed by Bradfield Parish Council, it was stated that the Coronation Park flood storage area had been discounted in the options short list announced earlier in the year. In terms of the works on sites of archaeological interest, the partnership would ensure that appropriate liaison was held with Historic England in respect of such works.
- 7.14 Members of the Committee raised questions, and the following responses were



provided:-

- Whilst a number of key stakeholders, including friends groups and environmental groups, had been consulted on all flood protection options at the early outline concept stage in 2016, more detailed consultation would be held with such groups in terms of the specific design of the schemes. As part of the public consultation, a range of options had been discussed, with a shortlist being drafted at the end of the consultation period. Consideration had also been given to funding, as part of the consultation. It was agreed that communication should continue with stakeholder groups outside specific consultation stages.
- There was a considerable level of disappointment in the fact that the funds needed to cover the full cost of the Upper Don and Sheaf catchment schemes had not been secured. The partnership would continue to work with the Government in order to secure the funds to finance the full schemes, but, in the meantime, the Council planned to deliver the schemes in phases over a five-year plus period as and when funding packages became available. Although the schemes qualified for £22.5 million of Defra flood grant aid, subject to the approval of business cases by the Environment Agency, such funding had to be matched, with evidence provided to this effect. The original plan had been to undertake the schemes in full, over a five-year period but, due to funding issues, the Environment Agency had suggested that the project be delivered in phases, with each phase qualifying for grant funding. The partnership had applied for DCLG Housing Infrastructure Funding of £10 million, and had secured £4 million at outline stage, with an opportunity to secure further funds from the Sheffield City Region, in connection with supporting potential for economic growth in the Upper Don area.
- All the schemes had been registered on the Government's National Flood Programme, with a percentage of funding being indicatively allocated for each individual scheme.
- Undertaking NFM works in the Rivelin and Loxley catchments were not easy options as it involved working with numerous organisations and landowners, which had different interests and views. The Environment Agency outlined that there had been positive developments in terms of the reservoir at Calderdale in North/West Yorkshire, and it was hoped that progress could be made in terms of NFM in Loxley. If NFM measures could be progressed in terms of Loxley and Rivelin, and were successful, this may reduce the size of other storage options required in these areas.
- When looking at all the possible options in terms of NFM, the partnership had tried to look into all relevant issues, including economic, technical, heritage, sociological and arboricultural issues.
- In terms of the risks of flooding in respect of underground culverted watercourses in the City, an appraisal had been undertaken in respect of 48 such watercourses City-wide. Engineering consultants had identified nine

culverts that presented the highest risk of collapse and flooding to surrounding communities, and the remaining 39 were not deemed as high risk, therefore would not qualify for grant-funding.

- It had not been possible to highlight all the options in terms of NFM on the map appended to the report on the basis that there was simply not enough room to do so. Officers would be able to provide Members with information which demonstrated those geographical areas which the partnership had looked at.
- In terms of a timetable in respect of the works, details would be published when works were due to commence in respect of the different phases.
- Whilst the issue of heather burning had been raised with the Environment Agency, it was not strictly within the partnership's remit to make or suggest any changes to land management. The Environment Agency, however, would be happy to advise or provide any assistance on, issues such as this. The issue of heather burning came under the remit of Defra.

7.15 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the information now reported, including the comments from the Environment Agency and Sheffield and Rotherham Wildlife Trust, as well as the responses to the questions raised;
- (b) thanks Jim Fletcher, David Brown, James Mead, Victoria Saynor and Liz Ballard for attending the meeting and, where relevant, for responding to the questions raised; and
- (c) requests:-
  - (i) that officers work with partners to look at the possibility of establishing a formally constituted Partnership Group, comprising representatives from all relevant agencies and organisations, as well as members of the public, to look at all aspects of flood management, including natural flood management and whole catchment approach;
  - (ii) assurance, in going forward, post this consultation stage, that all relevant organisations are fully engaged in the development and decision-making process by the Council, on proposals, and that there is a cost benefit analysis of all the options, including hard engineering works and organic solutions; and
  - (iii) that detailed designs of all the proposals under the programme be referred back to this Committee for comment, prior to submission to the Government.

**8. HOSTING THE WORLD SNOOKER CHAMPIONSHIPS IN SHEFFIELD 2018-2027**

8.1 The Committee received a presentation from the Director of Business Strategy and Regulation, on the securing of a long-term contract to continue to host the World Snooker Championships in Sheffield from 2018 to 2027.

8.2 In attendance for this item were Michael Crofts (Director of Business Strategy and Regulation) and Howard Varns (Programme Manager, City Growth).

8.3 Michael Crofts reported on the rationale behind securing a long-term contract, referring to the drivers in terms of the benefits to the City. These included the heritage benefits in terms of confirming Sheffield as the home of World Snooker, improving the City's profile, the financial benefits of the Championships to the local economy and the opportunity to showcase the event worldwide, particularly in China, where snooker has become one of the fastest growing sports, and which country was forecast to become the world's largest economy by 2020.

8.4 Further to questions raised by Members of the Committee, it was stated that, whilst it was considered that there was already a considerable level of engagement with the local community, during the Championships, efforts would be made to increase such levels of engagement. Whilst there was sufficient hotel space to cater for fans travelling to the City to watch the Championships, it was hoped that, as the event grew in popularity, there would be an increase in fans, thereby resulting in further hotel chains locating to the City to meet such demand.

8.5 RESOLVED: That the Committee:-

- (a) notes and welcomes the information now reported as part of the presentation, together with the responses to the questions raised; and
- (b) thanks Michael Crofts and Howard Varns for attending the meeting and responding to the questions raised.

**9. WORK PROGRAMME 2017/18**

9.1 The Committee received a report of the Policy and Improvement Officer which set out its Work Programme for 2017/18.

9.2 The Chair made reference to the meeting of the Committee arranged for 20<sup>th</sup> December 2017, which was to replace the postponed meeting in October 2017, and would include an update on the China Economic and Civic Programme.

9.3 RESOLVED: That the Committee approves its Work Programme for 2017/18.

**10. DATE OF NEXT MEETING**

10.1 It was noted that the next meeting of the Committee would be held on Wednesday, 20<sup>th</sup> December 2017, at 5.00 pm, in the Town Hall.