



Author/Lead Officer of Report:
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Report of: **Olivia Blake, Cabinet Member for Finance
 Ben Curran, Cabinet Member for Planning and
 Development**

Report to: **Cabinet**

Date of Decision: 15 November 2017

Subject: **Disposal of Land at Hoyle Street, Sheffield**

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to?	Finance, and Planning and Development	
Which Scrutiny and Policy Development Committee does this relate to?	Economic and Environmental Wellbeing Scrutiny Committee	
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>		
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
The Appendix A attached is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."		

Purpose of Report:

The report seeks authority to sell Sheffield Council's land interests in property in the vicinity of Hoyle Street and Doncaster Street to Scotfield, enabling the Council to achieve a capital receipt, bringing forward the development of housing and achieving the redevelopment of a prominent but underused site.

Recommendations:

It is recommended that the Chief Property Officer be authorised to negotiate final sale terms and a conditional contract for the sale of the land identified edged red on the attached plan and to instruct Legal to draft conditional contracts for a sale.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: Paul Schofield
	Legal: David Sellars
Equalities: N/A	
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: Lorraine Manley
3	Cabinet Member consulted: Olivia Blake , Ben Curran
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Tammy Whitaker
	Job Title: Head of Property Services
Date: 15 th November 2017	

1. PROPOSAL

1.1 The Council has been approached by the developer "Scotfield" who wish to acquire Council land interests at Hoyle Street and complete their assembly of a site for comprehensive redevelopment. Sheffield Council has the freehold interests in all the areas within the red line on the attached plan, with the exception of 16, 14 and 11 Mathew Street.

1.2 Scotfield have bought an option for property owned and occupied by a small business called Argent Steel (a firm of steel stockholders). Argent Steel occupies property which separates SCC owned land from Shalesmoor and Hoyle Street. Having acquired this position Scotfield approached SCC for an exclusivity agreement to enable them to work up a scheme for the comprehensive redevelopment of the combined Argent and SCC owned lands.

1.3 This site assembly has created a larger, more viable site, and avoids the difficulties of trying to develop land separated from the existing highways by old industrial buildings.

Scotfield can be regarded as a 'Special Purchaser' because they are in an enhanced position to bring forward comprehensive development across the sites identified in the report by nature of their control of the adjacent sites and it has therefore been concluded that the proposed disposal is the most likely means of facilitating the delivery of the development brief.

1.4 Scotfield's redevelopment scheme comprises the following:-

Mixed development of commercial/leisure, private residential for sale and rent with some student provision. The scheme comprises four main blocks plus a block of 11 town houses.

Block A 243 Student Flats

Block B 55 X 7 Bed Cluster Student Flats (385 Beds) Plus 2,637 sq ft commercial/ leisure space.

Block C 24 x Cluster Student Flats Plus 5,317 sq ft commercial / leisure space. Total 322 Student Flats

Block D 145 Private Flats

Block E 11 Townhouses

7,954 sq ft of commercial leisure space at ground floor level.

1.5 Having been presented with this scheme of redevelopment the City does not have to proceed to sell its property interests and could choose alternative courses of action, however Scotfield's proposals would be of great benefit to the city and it is difficult to see what alternative courses of action the city should take in the absence of Scotfield's proposals.

- 1.6 Scotfield have reviewed this proposal recently and although this scheme is possible it may change but only to the extent that some student housing could be replaced by apartments specifically aimed at the private rented sector.
- 1.7 The proposal does involve a significant element of student housing but the site also achieves much conventional housing, of which there is an acknowledged and significant shortfall in the city. Student housing in this non-suburban location would be far less problematic than if located within more peripheral residential neighbourhoods and proposals such as the one at Hoyle Street tends to divert demand away from these more sensitive locations which is advantageous.
- 1.8 Whilst ideally the Hoyle Street site would be developed out wholly for family housing this is unachievable in practical terms given the height requirements any building(s) would have to meet, and given limited market demand for family apartments. To insist on wholly family or non-student housing would therefore suppress the land value to low levels and result in a development of insufficient scale for this gateway location.

2. HOW DOES THIS DECISION CONTRIBUTE

- 2.1 The Council owned sites form the majority landholding but have been unused for around 20 years. The sale will allow the unused land to be brought into use and enable Scotfield scheme of redevelopment to be brought forward. Following redevelopment the sites will be kept in a clean and tidy condition and will generate housing for the city as well as a capital receipt for Sheffield City Council.
- 2.2 Part of the scheme proposes an impactful 19 storey tower on the corner of Hoyle Street and Shalesmoor. The proposals would form an iconic building on a landmark site to matches the ambitions Sheffield Council aspires to.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is not required to consult on the proposals, which will have to go through the statutory planning process and comply with the consultation requirements of this process

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 None

4.2 Financial and Commercial Implications - see Appendix A

4.3 Legal Implications

4.3.1 The proposal is for the Council to convey the freehold interest in the land, such sale being conditional on Scotfield securing Planning Permission for their proposed scheme of development and subject to a substantial start on the non – student element of the scheme having been made. Scotfield will deposit a separate bond of £0.5m with SCC and draw down these monies to guarantee a substantial start on the non-student element.

4.3.2 The purchaser, having agreed a purchase of the private land is considered to be a special purchaser, and the Council is able to dispose of the land on a private treaty basis in accordance with Section 123 of the Local Government Act 1972.

4.3.3 None

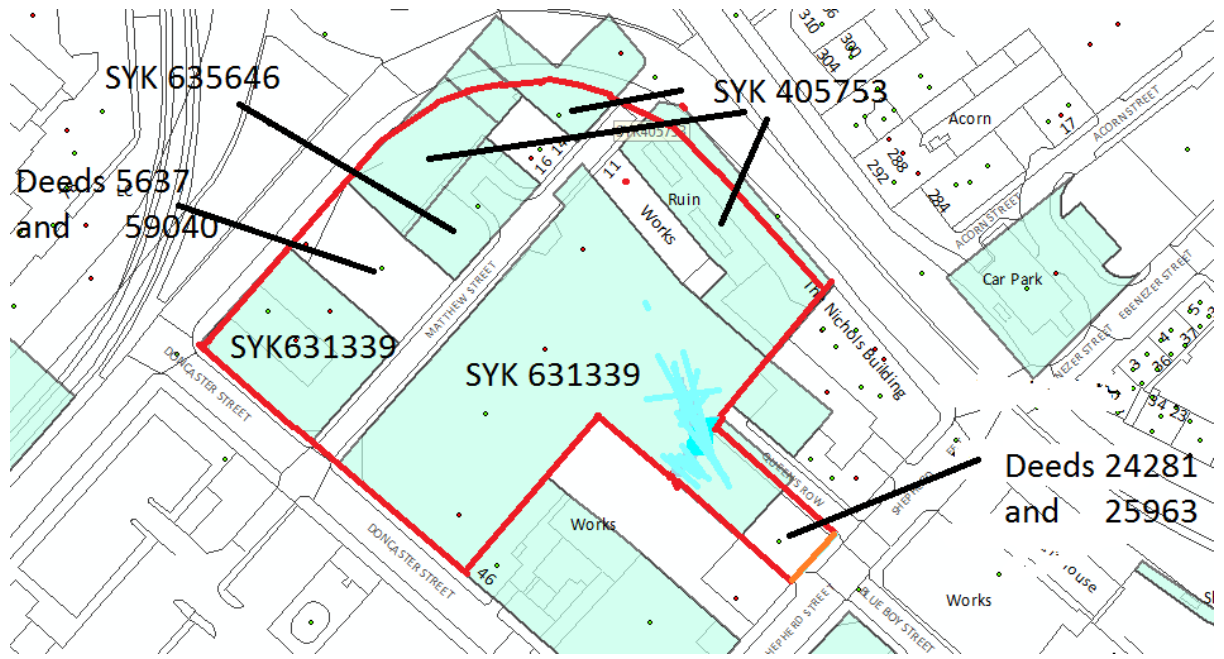
5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing. The site has been vacant for many years and one option would be to leave the site undeveloped and not take advantage of the opportunity which has presented itself. This option would however run counter to the Councils ambitions to achieve housing and to achieve best value for its assets.

Market the site at some later date jointly with Argent Steel or try and sell the Councils land assets separately from the private landowner. The former option would simply delay arriving at the current position and risk the private landowner selling in isolation, the second option of developing the Councils land piecemeal may not be possible due to Planning constraints and Argent steel resisting any proposals that would alter their access arrangements i.e. through council land.

6. REASONS FOR RECOMMENDATIONS

6.1 As stated above, the Head of Property Services is minded to approve the disposal of this land and recommends the sale of these council assets via private treaty sale to Scotfield.



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