



Author/Lead Officer of Report: Tammy Whitaker,
Regeneration and Property Services

Tel:

Report of: Laraine Manley
Report to: Cabinet
Date of Decision: 20th November 2019
Subject: Disposal of land at 210 Rockingham Street

Is this a Key Decision? If Yes, reason for Key Decision:-
 Yes No
 - Expenditure and/or savings over £500,000
 - Affects 2 or more Wards

Which Cabinet Member Portfolio does this relate to?
 Finance Resources and Governance – Cabinet Member Terry Fox

Which Scrutiny and Policy Development Committee does this relate to?
 Economic and Environmental Wellbeing

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes No

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The full report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The report contains confidential and commercially sensitive information relating to the financial affairs of the authority.

Purpose of Report:

To seek approval for Sheffield City Council to dispose of freehold land at 210 Rockingham Street to enable the assembly of a larger site to be redeveloped for student housing.

Recommendations:

That Cabinet approves the proposals set out within this report and the terms of the proposed disposal as explained in the closed Part 2 to this report and declares the land identified surplus to the requirements of the Planning & Transportation Committee.

That Cabinet delegate authority to the Chief Property Officer to agree the terms of the disposal and the terms of any other documentation required.

That the Director of Legal and Governance in consultation with the Chief Property Officer negotiates and completes such legal documentation as they consider necessary on such terms as they may agree to give effect to the proposals set out in this report.

Background Papers: N/A

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: Annemarie Johnston
<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:	Laraine Manley
3	Cabinet Member consulted:	Councillor Terry Fox
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 Regeneration and Property Services
	Date: 20 th November 2019	

1. BACKGROUND

- 1.1 This report relates to the proposed disposal of land at 210 Rockingham Street. The disposal of the Council's interest is to facilitate the assembly of a larger development site which will be brought forward for the development of student housing.

- 1.2 The proposed development site is occupied by a number of existing buildings dating from the 1960/70's the majority of which are in commercial use. The disposal will enable the redevelopment of these buildings for alternative higher density use.
- 1.3 The Council owned freehold land is subject to a long leasehold interest and therefore comprises a freehold reversionary title.
- 1.4 Centrally located, the site is situated a short distance from The Moor and HOC II with frontages to Rockingham Street, Wellington Street and Trafalgar Street. The site is located opposite to Site F (HOC II) where new residential development is to be developed out shortly and neighbours the Vita Student scheme and Unites Devonshire (student) development.

2.0 PROPOSAL

- 2.1 The land subject to the proposed disposal forms part of a larger development site with fragmented ownership. A developer is seeking to assemble all land interests under single ownership in order to enable redevelopment to take place.
- 2.3 Following several months of negotiations the developer has now put forward an offer to acquire the Council freehold land.
- 2.4 The details of the land ownership and offer which has been received are included within Part 2 of this report.
- 2.4 The developer proposes to redevelop the site to create a high density student scheme. Some initial pre-application planning discussions have taken place and further information relating to the details of the proposed scheme are included within Part 2 of this report.

3.0 HOW DOES THIS DECISION CONTRIBUTE?

3.1 Economic

- 3.1.1 The development of student housing continues to remain a dominant driver for private investment within the city. Investor and developer demand has driven higher density and encouraged the redevelopment of underutilised or brownfield sites within the city and helped businesses relocate to more sustainable locations. The proposed development will also help create more footfall in the heart of the city centre which will have a positive impact on businesses and retail trade.
- 3.1.2 The development of new purpose built student accommodation can also have a longer term impact by releasing traditional housing stock situated outside of the city centre back into the private market.
- 3.1.5 The disposal of the land and redevelopment of the site as proposed would generate a significant capital receipt for the Council in addition to a substantial New Homes Bonus and CIL contribution.

3.2 Environmental

- 3.2.1 The development will deliver considerable environmental improvements; removing older inefficient commercial buildings and delivering newer more energy efficient buildings.

3.3 Social

- 3.3.1 The proposal supports the Corporate Plan priority to create and sustain thriving neighbourhoods and communities through increasing the supply of new housing as part of the City's long term economic growth strategy.

4.0 HAS THERE BEEN ANY CONSULTATION?

- 4.1 There has been no formal consultation.

5.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

5.1 Equality of Opportunity Implications

- 5.1.1 An Equality Impact Assessment has not been carried out in respect of the proposals set out in this report. However, it is considered that the redevelopment of the site will be of positive benefit for all local people with the repurposing of underutilised commercial buildings and the creation of new student housing which will also include affordable housing provision.

5.2 Financial and Commercial Implications

- 5.2.1 The financial and commercial implications include;
- Encourage further regeneration of the city centre through the redevelopment of underutilised commercial sites for student housing.
 - Provide a significant capital receipt to the Council (confirmed in Part 2).
 - Produce CIL and New Homes Bonus (confirmed in Part 2).

5.3 Legal Implications

- 5.3.1 Pursuant to Section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best price reasonably obtainable upon a disposal of its land. This does not necessarily require the Council to obtain the best consideration by way of a capital receipt. The Council may reasonably take other matters into consideration when considering its obligations under s123 of the LGA which may include but not be limited to the maximisation of its potential revenue stream, the securing employment opportunities and much needed regeneration for the area.
- 5.3.2 Offering the land for sale in the open market would generally provide the most robust indication that best value has been obtained. However, this is not the case in these circumstances. The proposed purchaser has already acquired other land interests in the site and is considered to be a 'special purchaser'. Further comment is provided on this point in the closed Part 2 of this report.

6.0 ALTERNATIVE OPTIONS CONSIDERED

- 6.1 The Council could do nothing; this may result in the site remaining in its current use for several more years. Other parts of the site may be brought forward in isolation which may result in a compromised scheme. This could also have a negative impact on the continued or future use of the Council owned land.

7.0 REASONS FOR RECOMMENDATIONS

- 7.1 The intended outcome of the proposal is to deliver new purpose built student accommodation within the city centre and repurpose existing commercial sites where older buildings are inefficient and would benefit from redevelopment.
- 7.2 The development proposals will help attract additional footfall in the retail core which will be of benefit to the city. The disposal will also deliver a significant capital receipt, New Homes Bonus and CIL contribution for the Council.
- 7.3 The proposals will deliver the economic and financial benefits as outlined within this and the closed part 2 report.

Laraine Manley
Executive Director Place

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