



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 Smithfield and Cross Smithfield

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The full report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).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 enter into an agreement for the disposal of freehold land at Smithfield and Cross Smithfield within the city centre.

The disposal will enable the assembly of a larger brownfield site where residential redevelopment is proposed.

Recommendations:

That Cabinet approves the proposals set out within this report and the terms of the proposed the agreement as explained in the closed Part 2 to this report and declares the land identified surplus to the requirements of the Estates 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 Historically, St Vincents Quarter has been dominated by commercial and industrial uses however a spate of new residential development began during the early 2000's that rapidly changed the area.
- 1.2 The majority of these earlier schemes were focused on student housing given the relatively close proximity to Sheffield University Campus. As with other areas, the redevelopment of land for housing in the St Vincents Quarter stalled during the economic downturn but has again gathered pace in more recent years. Several new schemes have subsequently been delivered with other development proposed.
- 1.3 The majority of the new schemes which have been brought forward during this economic cycle have again been student led, clustered around Broad Lane, Hollis Croft, Scotland Street and Upper Allen Street with frontages to Netherthorpe Road. Further high density student schemes are now proposed or under construction with frontages to Netherthorpe Road and on Allen Street/Shepherd St.
- 1.4 The development of non-student housing within the area has been relatively limited by comparison however a large scale development is now proposed at Hoyle Street where it is proposed that private rented/for sale units will be developed.
- 1.5 The continued redevelopment of commercial property for residential housing is likely to remain the driving force for the further regeneration of the St Vincents Quarter.

2.0 PROPOSAL

- 2.1 Sheffield City Council owns freehold land at Smithfield and Cross Smithfield within the St Vincents Quarter. The land is subject to several long leasehold interests which are held in separate ownership. The majority of the Council owned land therefore comprises freehold reversionary interests.
- 2.2 The land forms part of a larger island site which is bounded by Scotland Street, Snow Lane, Smithfield and Cross Smithfield. The site characterised by low rise industrial and workshop buildings the majority of which date from the 1950's/60's. The majority of the buildings remain occupied for commercial purposes.
- 2.3 In order for the larger island site to be released for redevelopment it is necessary to assemble all of the land interests under single ownership, including the Council owned land.
- 2.4 A proposal has now been put forward for an agreement to acquire the Council owned land in order to enable the site to be assembled. Once assembled it is proposed that the site is brought forward for residential redevelopment.
- 2.5 Further information regarding the existing land ownership and proposals for the site are included within the closed Part 2 of this report.

3.0 HOW DOES THIS DECISION CONTRIBUTE?

3.1 Economic

- 3.1.1 The proposals will bring forward the redevelopment of a large underutilised brownfield site. This is an important island site within St Vincent's Quarter the redevelopment of which will assist in bringing forward further regeneration of the area.
- 3.1.5 The development will generate Council Tax and Business Rate receipts for the Council's revenue budget in addition to a significant New Homes Bonus and CIL contribution.
- 3.1.6 Delivery of the proposed development will have a significant impact on the continued and future regeneration of the St Vincent's Quarter.

3.2 Environmental

- 3.2.1 The development will deliver considerable environmental improvements; removing inefficient and underutilised commercial buildings and delivering energy efficient buildings, both on site as part of the proposed redevelopment and elsewhere in other areas of the city where businesses are proposed to relocate to more sustainable commercial buildings within the city boundary.

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

- 5.1.2 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 an underutilised brownfield site and the creation of new residential housing which will include a significant number of affordable housing units.

5.2 Financial and Commercial Implications

- 5.2.1 The financial and commercial implications include;
- Bring forward further regeneration of the St Vincent's Quarter. Assist in encouraging the redevelopment of other brownfield sites.
 - Deliver much needed private housing units within the city centre, offering a mix of tenures including affordable housing units.
 - Deliver significant private housing in an area of the city where the majority of recent developments have been student led.
 - Provide a significant capital receipt to the Council (confirmed in Part 2).
 - Produce CIL and New Homes Bonus (confirmed in Part 2).
 - The completed scheme will produce additional Council Tax and Business Rates revenue for the Council (confirmed in Part 2).

5.2.2 There is a risk that the proposal does not proceed, in such a scenario the Council would be unable to take any further action in relation to disposal of the land until the proposed agreement has expired or been terminated. The risk of being tied into this agreement is considered to be relatively low as no other development will be brought forward in relation to the site if these current redevelopment proposals do not proceed as planned.

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 secured agreements to acquire 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. As existing buildings deteriorate levels of occupation may fall and parts of the site may be come derelict as has been experienced with other sites within St Vincent's Quarter.

6.2 It is feasible that individual parts of the site may be brought forward for redevelopment in isolation; this could result in a compromised scheme or restrict the future redevelopment of other/adjacent sites.

7.0 REASONS FOR RECOMMENDATIONS

7.1 The intended outcome of the proposal is to deliver new private housing in a designated housing growth area and help assist with the continued regeneration of the St Vincent's Quarter. The development proposes to deliver a mix of housing tenures which are non-student and will include a significant number of affordable units.

7.2 The proposals will relocate existing businesses to other commercial sites within the city which are more sustainable and repurpose older commercial use buildings which are inefficient.

Laraine Manley
Executive Director Place

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