



Report to Policy Committee

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Report of: *Kate Martin, Executive Director City Futures*

Report to: *Finance Sub-Committee*

Date of Decision: *21st February 2023*

Subject: *Levelling Up Fund – Attercliffe Acquisition*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 1474				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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: -				
<i>“The appendix is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”</i>				

Recommendations:

Finance Sub-Committee is recommended to:

- Delegate authority to the Chief Property Officer acquire the property identified in Appendix 1 using resources from the Levelling Up Fund, subject to acceptable terms being agreed by the Director of Legal and Governance and Chief Property Officer and up to the purchase price set out in that Appendix.
- Add the purchase and associated costs be the Council’s capital programme.
- Request that the Director of Legal and Governance, in consultation with the Chief Property Officer, negotiate, agree and execute all necessary documentation.

Background Papers:

Report to Finance Sub-Committee 7th November 2022 (item 16 on the agenda).

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: Liz Gough
		Legal: Sarah Bennett / David Sellars
		Equalities & Consultation: Louise Nunn
		Climate: Jessica Rick
<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	SLB member who approved submission:	<i>Kate Martin, Executive Director City Futures</i>
3	Committee Chair consulted:	<i>Cllr Bryan Lodge/Zahira Naz Co-Chairs, Finance Sub-Committee</i>
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 Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: <i>Alan Seaman</i>	Job Title: <i>Service Manager City Regeneration and Major Projects</i>
	Date: 17.02.2023	

1. BACKGROUND

1.1 Levelling Up Fund and Attercliffe

Levelling Up Fund

1.1.1 The Levelling Up Fund provides Local Authorities with the financial resource to invest in their local communities to tackle economic differences persistent in cities, especially post-industrial cities like Sheffield. The Levelling Up Fund aims to 'level up' regions in the UK to tackle economic differences and drive prosperity.

1.1.2 In the Levelling Up Fund prospectus, the Government acknowledges that this prosperity can be measured in many ways. However, the most powerful barometer of economic success is the positive change people see and the pride they feel in places they call home.

1.1.3 Sheffield was awarded the full £37m requested from the Government's Levelling Up Fund in October 2021 including £17m allocated for investment in Attercliffe. Contracts were signed on the 8th of February 2022 with initial development funding released to the Council at the end of February 2022. The Council is required to demonstrate the use and delivery of the Levelling Up Fund funds for the allocated areas by March 2024.

Attercliffe

1.1.4 The £17m allocated for investment in Attercliffe focuses on joining up investment in employment, travel and quality of life to transform the quality of life and perceptions of Attercliffe.

1.1.5 Investment in wider regeneration initiatives in Attercliffe includes links between Sheffield Olympic Legacy Park and the High Street. Allocation of funds to invest in Attercliffe will allow the creation of a more welcoming environment and street scene, and for the refurbishment of historic buildings in the area to provide a cultural hub and event space on the high street. This will strengthen Attercliffe's sense of community and pride in the local area. The regeneration of Attercliffe will help to stimulate investment and make Attercliffe a better place to live, work and visit.

1.1.6 The Finance Sub-Committee on 7th November 2022 approved the use of some of the £17m funds allocated to Attercliffe to acquire the Adelphi Social Club and Land on the West Side of Attercliffe Road. The monies requested was sufficient in securing the property and land.

1.2 **Acquisition**

1.2.1 An opportunity has now arisen to acquire the Freehold interest in a further building in the centre of Attercliffe.

1.2.2 The Council's legal services are reviewing the legal pack to identify any risks associated. Upon initial consideration (subject to comment from legal services), the potential risks that are associated with acquiring the property and land are manageable and not to the detriment of the Council in a financial, social or reputational manner.

1.2.3 Financial input can be provided by the Levelling Up Fund grant to transform the Attercliffe area. Therefore, if successful at auction and upon receipt of surveys and relevant due diligence, all work required on the building and land to get it into a habitable state will be funded by the Levelling Up Fund as set out in Appendix 2.

1.2.4 The Council made all reasonable attempts to enter private negotiations to acquire the property to minimise financial and timing risk for the Council. However, due to restrictions on disposal of property and land, the seller was unable to sell by private treaty.

- 1.2.5 The acquisition of the property will increase the Council's ownership in the area, and further consideration will be taken to ensure that future uses of the site are accessible and benefit the local community. This will encourage further investment into the area and improve local community pride in Attercliffe.

2. HOW DOES THIS DECISION CONTRIBUTE?

- 2.1 Following the recommendation in this report, the proposed acquisition aims to:
- Help to stimulate investment in the area
 - Increase Council land and property ownership in Attercliffe allowing the Council to lead the way in regeneration in the area
 - Reduce inequalities in improving Attercliffe as a place to live, work and visit
 - Increase quality of life, health, wellbeing and happiness for local communities
 - Further enhance the visitor economy in Attercliffe and the wider Sheffield City Region
 - Improve national visibility and reputation based on the measured outcomes of the Levelling Up Fund grant
 - Provide the opportunity to create a new cultural/community use
 - Contribute towards achieving corporate objectives

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 In submitting the bid to the Levelling Up Fund there was consultation with local stakeholders including members of the local business community, Sheffield Children's NHS Trust, Sheffield Olympic Legacy Park, Scarborough Group International and Sheffield Hallam University. In addition, the bid had to have the explicit approval of the local MP.
- 3.2 A number of further updates have been provided to stakeholders. Further public engagement and participation in relation to these specific buildings will be undertaken as part of any requirements for listed building or planning consent.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality Implications

- 4.1.1 An Equalities Impact Assessment has been undertaken for this acquisition. Upon acquisition and determination of the use of the site, there will be further discussions and consultation regarding the EIA.

- 4.1.2 It is considered that this proposal should have a positive impact on the

Attercliffe and wider Sheffield City Region, including currently under-served communities by creating a stronger sense of place and community; increasing wider investment opportunities; improving the High Street which will hopefully result in greater job, retail and wider commercial opportunities to meet diverse community needs.

4.2 Financial and Commercial Implications

4.2.1 The costs of the purchase of these assets will be funded entirely by the Levelling Up Fund allocation received from Central Government.

4.2.2 If successful at auction, the Council will begin surveys and initial/preliminary works imminently. Upon acquisition, the Council will consider all potential future uses to ensure regeneration of the area and increase financial benefits for the Council and wider area. It is estimated that holding costs should be no longer than 12 months and the funding will come from the Levelling Up Fund. A breakdown of these costs will be provided in due course.

See Appendix 2 for a breakdown of estimated ongoing and holding costs. Any costs of holding the assets until acquired that are not able to be capitalised will be met from existing Regeneration and Property Services budgets.

4.2.3 The exit strategy for the building and site is yet to be determined. The site would be a good strategic acquisition to help facilitate reuse of the adjoining Adelphi Social Club, wider place making and regeneration of the High Street. A determination of the end use and revenue costs will be provided in due course.

4.3 Legal Implications

4.3.1 The Localism Act 2011 s.1 provides local authorities with a “general power of competence” which enables them to do anything that an individual can do so long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local needs. The proposed acquisitions programme can be delivered through the council using its general power of competence.

4.3.2 Section 120 of the Local Government Act 1972 gives the Council power to acquire by agreement any land or property for amongst other things the purposes of the benefit, improvement or development of the Council’s area. For the reasons set out in this report it is considered that the proposed acquisitions fall within this criteria.

4.3.3 The property is held by a non-exempt charity and this transfer is not one falling within paragraph (a), (b), (c) or (d) of section 117(3) of the Charities Act 2011 so that restrictions on disposition imposed by sections 117 to 121 of that Act apply to the Property.

4.3.4 It is understood from the vendor's solicitor that the trustees of the charity, being the persons who have the general control and management of its administration, certify that:

(a) they have power under the trusts of the charity to effect this transfer; and

(b) they have complied with the provisions of sections 117 to 121 of the Charities Act 2011 so far as applicable.

4.4 Climate Implications

4.4.1 Considerations of climate implications and an initial Climate Impact Assessment has been undertaken as appropriate for this specific acquisition. This is yet to be consulted on due to limited timescales. Upon acquisition and determination of the use of the site, there will be further discussions and consultation regarding the CIA.

4.4.2 It is considered that this proposal should have a neutral/positive impact on the climate. Any future uses will consider the climate and ensure environmentally friendly practises are encouraged to put the Council at the forefront of positive, inclusive, environmentally conscious site use. It will also help to improve a sustainable and inclusive economy in the Attercliffe area creating opportunities for all residents.

4.4 Other Implications

4.4.1 None

5. **ALTERNATIVE OPTIONS CONSIDERED**

5.1 Do nothing

If the Council decide not to acquire the property, this property and land would unlikely be used for place making and regeneration purposes. It is likely that it would remain unused, inaccessible to the public and not used or repurposed for the wider benefit of the Attercliffe area. This would continue the under-investment in Attercliffe and its negative effects as such.

5.2 Purchase the site using Sheffield City Council funds

If the Council decided to acquire the property and land mentioned using internal funds, this would take a considerable amount of time to generate. The City Council would not be able to purchase such a prominent site which will provide great economic and social benefits to the Attercliffe area and community.

6. **REASONS FOR RECOMMENDATIONS**

- 6.1 This acquisition will help to stimulate investment in the area; strengthen the sense of community and pride in the local area; reduce inequalities; enhance the visitor economy; improve quality of life, health and wellbeing for local communities; contribute towards achieving corporate objectives.
- 6.1.1 Further, the acquisition will allow for the building and land to be used to compliment the future use of the adjoining Adelphi Social Club, increase Council land ownership and ensure wider regeneration benefits for Attercliffe.

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