



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Laraine Manley, Executive Director, Resources

Date: 12th December 2012

Subject: Disposal of Land at Rother Valley Way.

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Summary:

This report is to seek Cabinet approval to enter into a conditional contract with UYE (Ltd) for the disposal of land at Rother Valley Way on a 99 year lease with an option to purchase the freehold interest within the first ten years. The conditional contract requires UYE Ltd to comply with conditions which have been imposed as part of Planning Permission that was granted on 24th September 2012 for a Community Renewable Energy Centre.

Reasons for Recommendations:

UYE's Community Renewable Energy Centre will generate electricity and hot water from the incineration of waste wood. The electricity will be supplied to the National Grid and the hot water to provide heating for nearby homes. The proposals will diversify the energy sources available in the City and reduce reliance on the burning of fossil fuels.

Recommendations:

1. That the land at Rother Valley Way is declared surplus to the requirements of the Council and can be disposed of.
2. That Cabinet approve the conditional contract for the disposal of the site at Rother Valley Way to UYE Ltd. in accordance with the terms of this report and delegate authority to the Director of Property & Facilities Management to finalise the terms of the sale.

3. That Cabinet authorise the Director of Property & Facilities Management to instruct the Director of Legal Services to prepare and complete all necessary documentation to conclude the sale in accordance with the agreed terms.

Background Papers: None

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES/ Cleared by:
Legal Implications
YES/ Cleared by:
Equality of Opportunity Implications
/NO Cleared by:
Tackling Health Inequalities Implications
/NO
Human rights Implications
/NO:
Environmental and Sustainability implications
YES/
Economic impact
YES/
Community safety implications
YES/
Human resources implications
/NO
Property implications
YES/
Area(s) affected
Relevant Cabinet Portfolio Leader
BRIAN LODGE
Relevant Scrutiny Committee if decision called in
Overview and Scrutiny Management Scrutiny and Policy Development Committee
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES/NO

Disposal of the Land at Rother Valley Way Sheffield

1.0 SUMMARY

- 1.1 This report is to seek Cabinet approval to enter into a conditional contract with UYE (Ltd) for the disposal of land at Rother Valley Way on a 99 year lease with an option to purchase the freehold interest. The conditional contract requires UYE Ltd to discharge the conditions that are attached to the planning permission for a Community Renewable Energy Centre.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 By the Council approving the sale of this site, UYE Ltd will, subject to the satisfaction of planning conditions being obtained, construct a power plant which will use waste wood to generate electricity and hot water. It is proposed that the hot water will be distributed by an underground pipe within public highway to an existing boiler house at the junction of Pedley Grove where it will be distributed to provide heat to residential property in Westfield. It is anticipated that 4 megawatts of thermal energy and 36 Megawatt hours of electricity will be generated annually with 45,000 tonnes of waste wood being recycled.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 A definition of Sustainability is, "Development which meets the needs of the present without compromising the ability of future generations to meet their own needs." (National Planning Policy Framework)

By delivering energy from waste wood and therefore offsetting carbon emissions that would otherwise have been produced by energy delivered from non-renewable sources, the development is minimising the impact on climate change and is sustainable.

4.0 REPORT

- 4.1 The site comprises 3.1 acres of relatively level land in the middle of the Holbrook Industrial Estate. The land is disused except for the grazing of horses by occupants of the nearby Travellers Site at New Street. It has been partially encroached upon by the creation of a large bund/mound by the adjacent engineering works immediately to the north. The bund extends along the entire northern boundary between the site and the engineering works. Further details over the issues surrounding this encroachment are set out in Appendix 2.
- 4.2 The Council's Environmental Protection Service has advised that the land was formerly used as an open cast mine and latterly as landfill. There is therefore a likelihood that contamination exists in the ground

and that some landfill gas is present.

4.3 The Planning Application was approved at the meeting of the City Centre South and East Planning and Highways Committee on the 24th Sept 2012. The recommendation to grant concluded that the site is appropriately located in an industrial area and an Environmental Statement included with the application, demonstrated that the proposals should have no significant impact.

4.4 The assessment also dealt with issues such as traffic generation, noise and air quality issues, as well as visual impact and the availability of alternative sites.

4.5 The proposed development will contribute to the Council's SDF Core Strategy target to exceed 60 MW of renewable energy capacity by the year 2021.

5.0 Legal Implications

5.1 The proposed conditional contract will bind the Council to dispose of the land at an agreed rent to UYE Ltd and give the option to UYE to purchase the site at a price based on prevailing market value at the time.

5.2 The disposal achieves best value and the proposal is in accordance with Section 123 of the Local Government Act 1972. Although extensive public consultation has already taken place as part of the planning process and local opinion has been obtained, the Council may be obliged to publicise the proposed disposal of the open space in the local press.

6.0 Financial Implications

6.1 Details of the financial arrangements are contained in Appendix 1, as this information is confidential.

6.2 Corporate Finance has assumed the revenue and capital generated from the disposal will be available corporately for use as part of the Capital Programme.

7.0 ALTERNATIVE OPTIONS CONSIDERED

7.1 UYE Ltd has been trying to identify a suitable site for a Community Renewable Energy Centre for a number of years. A site immediately opposite Rother Valley Way was discounted at an early stage on the basis of its likely ecological impact. A further site immediately adjacent to the eastern boundary of the Traveller's Site was also discounted at an early stage on the basis of its likely impact on the living conditions of the travellers.

8.0 REASONS FOR RECOMMENDATIONS

- 8.1 Conditional Planning consent has been granted. The development will allow the use of an under- utilised Council asset to create a sustainable source of power generation. The proposal will also generate full market value for the Council asset and help meet the Council's Environmental commitments.

9.0 RECOMMENDATIONS

1. That the land at Rother Valley Way is declared surplus to the requirements of the Council and can be disposed of.
2. That Cabinet approve the conditional contract for the disposal of the site at Rother Valley Way to UYE Ltd in accordance with the terms of this report and delegate authority to the Director of Property & Facilities Management to finalise the terms of the sale.
3. That Cabinet authorise the Director of Property & Facilities Management to instruct the Director of Legal Services to prepare and complete all necessary documentation to conclude the sale in accordance with the agreed terms.