



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Simon Green, Executive Director - Place Portfolio

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**Date:** 16th January 2013

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**Subject:** Park Hill Redevelopment

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**Author of Report:** Derek Martin, Director of HER (57017)

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### **Summary:**

The report provides an update on the redevelopment of the Park Hill Estate. It recommends the granting of more comprehensive delegated powers including assigning or causing the assignment of the lease to the Executive Director of Place to progress the redevelopment.

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### **Reasons for Recommendations:**

Granting comprehensive delegations of authority to the Executive Director of Place now will help to enable a timely conclusion of any re-negotiation of Phase 1.

### **Recommendations:**

Cabinet is recommended:-

- (1) to note the current position in relation to the redevelopment of Park Hill
- (2) to authorise the Executive Director, Place to take such steps as he shall consider appropriate to progress the redevelopment of Park Hill and/ or to protect the Council's interests in this matter, including (but without limiting the generality of this authority):-
  - (i) to negotiate and agree any amendments to any existing agreements, leases or arrangements that he may consider appropriate;
  - (ii) to exercise the Council's rights to rescind, terminate, forfeit or assign any existing agreements (including, without limitation, the

Development and Funding Agreements) or leases (including without limitation the lease of Phase 1);

- (iii) to negotiate and approve such new agreements, leases or arrangements, with such parties and on such terms, as he may consider appropriate;
- (iv) to approve design proposals on behalf of the Council as land owner and local housing authority but not as local planning authority;
- (v) to approve funding and business plans of any third parties;
- (vi) to negotiate and approve nominations agreements for lettings with any third parties;
- (vii) to give any other consents or approvals and to exercise any powers required or permitted to be exercised by the Council under the terms of any agreement or lease entered into at any time in connection with the redevelopment of Park Hill;

Provided that the authority hereby conferred shall be exercised:-

(a) as regards matters falling within paragraphs (i), (ii) and (iii) above, in consultation with the Director of Legal Services, either the [Executive Director, Resources / Director of Finance] and [the Cabinet Member with responsibility for Finance];

(b) as regards matters falling within paragraph (v) above, in consultation with either the [Executive Director, Resources or the Director of Finance] and [the Cabinet Member with responsibility for Finance];

(c) as regards matters falling within paragraph (vi) above, in consultation with the [Executive Director, Communities] and [the Cabinet Member with responsibility for Housing];

and as regards the terms of any lease, shall not be exercised without the consent of the Council's [Chief Property Officer].

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**Background Papers:**

Cabinet Report 12 October 2005  
Cabinet Report 25 February 2009  
Cabinet Report 18 March 2009  
Cabinet Report 7 October 2011

**Category of Report:** OPEN

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**If Closed add – ‘Not for publication because it contains exempt information under Paragraph... of Schedule 12A of the Local Government Act 1972 (as amended).’**

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\* Delete as appropriate

## Statutory and Council Policy Checklist

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

## **PARK HILL REDEVELOPMENT**

### **1.0 SUMMARY**

- 1.1 The report provides an update on the redevelopment of the Park Hill Estate. It recommends the granting of more comprehensive delegated powers including assigning or causing the assignment of the lease to the Executive Director of Place to progress the redevelopment.

### **2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE**

- 2.1 The redevelopment of the Park Hill estate will provide range, quality and choice of city centre apartments. A number of these new homes will be for affordable rent and shared equity/ownership.

### **3.0 OUTCOME AND SUSTAINABILITY**

- 3.1 Flank A of Phase 1 has already been delivered and provides 78 new homes in this city centre location. A further 185 new homes will be developed to complete Phase 1 making best use of an existing listed structure. These homes can be accessed by residents from affordable for rent through to outright sale.
- 3.2 The homes themselves are built to high eco standard utilising the existing district heating system and with high insulating materials which will make them cheaper to run and reduce the carbon footprint.

### **4.0 BACKGROUND AND PROPOSALS**

- 4.1 The Park Hill estate is a Grade II\* listed building, originally comprising 1000 units of council housing in need of refurbishment and a viable future. As a listed building, demolition is not an option unless all other options have been proven not to be viable. SCC committed to a transformational scheme to bring investment to ensure an attractive, contemporary usage for Park Hill, complement the regeneration of Sheffield's city centre, and further the ambition to create successful neighbourhoods.
- 4.2 The Park Hill development brief set out a vision for Park Hill to deliver a sustainable future for the whole estate. To achieve this the developer

was asked to provide the following:

- A high quality sustainable regeneration solution for the whole of Park Hill
- Long term repairs to the structure of the buildings and historic details of the external fabric
- Refurbishment of the interior of the buildings
- A mixed use development
- Use of good design which highlights and enhances the existing architectural features and the heritage status of the buildings
- High quality public realm and improvement to the existing adjacent open spaces in furtherance of the city's reputation as a green city
- A high impact visual gateway to the city
- Improved accessibility with high quality connections and linkages and safe public routes to the city centre and railway station

4.3 In order to deliver our vision we are working with the Homes and Communities Agency and Urban Splash, a developer experienced in delivering high quality regeneration projects in urban areas. Urban Splash were chosen as a result of a competitive procurement process on the basis of their delivery track record, ability to deliver wider regeneration impacts, design excellence and their financial package. Great Places Housing Group are also key partners who will provide the affordable housing element, both for rent and low cost home ownership. GPHG were appointed using the same process as Urban Splash.

4.4 The regeneration proposals will create a mixed tenure, mixed use complex, which will be financially viable, and complement the regeneration of the city centre.

4.5 The regeneration of Park Hill is scheduled to be delivered in a number of phases. At present only phase 1 is being worked on. The enveloping of phase 1 is nearing completion. This includes flanks A, B and C. The fitting out of the homes for flank A is also nearing completion.

4.6 The sale of these flats has been actively marketed over the last 12 months and over 22 flats have either been purchased or reserved for owner occupation. This, along with the homes being purchased by Great Places Housing Group, has meant that half the homes in flank A have been sold.

4.7 All partners involved in the redevelopment process have acknowledged that now is the time to put into place a financial package to complete all of Phase 1 both internally and externally including environmental improvements around the block.

4.8 The negotiations to complete the financial packages are nearing final agreement and in order to complete these, this report seeks additional delegated authority to be given to the Executive Director, Place.

- 4.9 At present the Executive Director is authorised to give all consent and approvals and to exercise any powers required or permitted to be exercised under the terms of any lease or development or other agreement entered into in connection to the refurbishment of Park Hill.
- 4.10 The Executive Director cannot currently exercise any power to forfeit or terminate any lease or agreement. The regeneration of the Park Hill estate is progressing satisfactorily and the Council needs to be in a position to finalise the redevelopment of Phase 1. Granting comprehensive delegations of authority to the Executive Director now will help to enable a timely conclusion of any renegotiations for Phase 1.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The refurbishment of Park Hill is a complicated scheme to be carried out over a number of years. The original legal agreements remain in place with some variations to reflect agreed changes and make provision for the uncertainties associated with a long scheme. Negotiations are ongoing to put in place a financial package for the completion of Phase 1 and these agreements will be kept under review. It is therefore recommended that the Executive Director Place in consultation with the Director of Legal Services, either the Executive Director, Resources or the Director of Finance, and the Cabinet Member with responsibility for Finance is authorised to negotiate and agree any amendments to any existing agreements, leases or arrangements that he may consider appropriate, to exercise the Council's rights to rescind, terminate, forfeit or assign any existing agreements (including, without limitation, the Development and Funding Agreements) or leases (including without limitation the lease of Phase 1) and to negotiate and approve such new agreements, leases or arrangements, with such parties and on such terms, as he may consider appropriate. Before the exercise of that authority, the relevant legal implications would be considered in detail.
- 5.2 Officers are mindful of the importance of putting into place appropriate arrangements to secure the desired outcomes, ensure compliance with legal requirements and protect the Council's position. The Council's Contracts Standing Orders will be adhered to throughout and as regards the terms of any lease, this authority shall not be exercised without the consent of the Director of Property and Facilities Management.

## **6.0 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 The redevelopment process could be delayed in order to seek Cabinet approval at all the various stages of the renegotiation process. Any such delay could have significant financial consequences.

## **7.0 REASONS FOR RECOMMENDATIONS**

- 7.1 Granting comprehensive delegations of authority to the Executive Director now will help to enable a timely conclusion of any renegotiations for Phase 1.

## **8.0 RECOMMENDATIONS**

- 8.1 To note the current position in relation to the redevelopment of Park Hill

- 8.2 To authorise the Executive Director, Place to take such steps as he shall consider appropriate to progress the redevelopment of Park Hill and/ or to protect the Council's interests in this matter, including (but without limiting the generality of this authority):-

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[the Cabinet Member with responsibility for Finance];

(b) as regards matters falling within paragraph (v) above, in consultation with either the [Executive Director, Resources or the Director of Finance] and [the Cabinet Member with responsibility for Finance];

(c) as regards matters falling within paragraph (vi) above, in consultation with the [Executive Director, Communities] and [the Cabinet Member with responsibility for Housing];

and as regards the terms of any lease, shall not be exercised without the consent of the Council's [Chief Property Officer].

Simon Green  
Executive Director, Place

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