

SHEFFIELD CITY COUNCIL

OFFICER EXECUTIVE DECISION RECORD (Non Key)

The following decision was taken on 13 April 2021 by the Executive Director, Place.

Date notified to all members:

Officer Non-Key decisions are not subject to call-in.

1. TITLE

West Bar Square JESSICA Loan

2. DECISION TAKEN

That the Executive Director of Place:

1. Approves the Council entering into the JESSICA Facility Agreement on the terms set out in this report;
2. Approves the Council entering into the Back to Back Agreement with Urbo (West Bar) Ltd on the terms set out in this report; and
3. Approves formal confirmation being given to Urbo and Legal & General confirming that the Council is not going to terminate the April 2020 agreement.

3. Reasons For Decision

- The West Bar Square development is a transformational project that ties together the northern fringe of the City Centre and Fargate with Kelham and Castlegate and removes a physical and psychological barrier from Burngreave to the City Centre;
- The initial phases of the development secures £150m of private sector investment from Legal and General which would be a much needed boost to the local economy in the current economic climate;
- Planning applications have been submitted for the first phase and could start on site by the end of this year;
- The first phase of the project can generate Business Rate and Council Tax growth for the Council of approx. £143m with further significant amounts in future years from the next phases;
- The requirement for the Council to take a 40 year lease of Office 1 is not without risk, however this is mitigated by the very low rent payable to L&G;

- The proposed JESSICA loan reduces the risk further and also reduces the short term CIF requirement;
- If the Council serves the termination notice in April and does not take the lease then it is highly likely that L&G will not proceed and the scheme will be stalled for several years.

4. Alternatives Considered And Rejected

- The 2020 agreement with Urbo and L&G includes an option for the Council to terminate the agreement this month and pay compensation towards costs incurred by the other parties. If that was to happen it is very likely that L&G would also not proceed as the involvement of the Council is extremely important to their partnership approach on regeneration schemes such as this;
- If this approach were to be taken then the significant economic, environmental and social benefits to the city set out in the report would take much longer to materialise. The same would apply to the financial benefits accruing to the Council from new business rates and Council Tax;
- The Council could decide not to take up the JESSICA or SCR Brownfield Housing Fund monies which have been negotiated. However, the costs to the Council of securing that funding are low and in terms of what benefits the funding secures that would not seem a commercially sensible option.

5. Documents used in making decision:

6.1 Any conflict of interest declared by any Executive Member who is consulted by the Officer when making the decision

6.2 Any dispensation granted by the Head of Paid Service

7. Respective Director Responsible for Implementation

Executive Director, Place