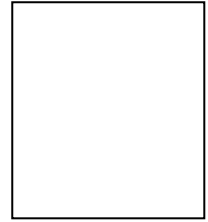




SHEFFIELD CITY COUNCIL

Cabinet Report



Report of: Executive Director, Place

Date: 29th February 2012

Subject: Stocksbridge Development Proposal, Ford Lane, Stocksbridge

Author of Report: David Ambrose, City Development Division

Summary:

This report is to update members on progress/changes in the Stocksbridge Development proposal since the Cabinet report of 23rd March 2011, seeks authority to enter into all necessary legal documentation to facilitate the purchase by agreement of the required land, and seeks to reconfirm the principle that the Council will be prepared to use its Compulsory Purchase powers if necessary, as a last resort, in order to complete the acquisition of the whole of the proposed development site.

Reasons for recommendations:

Officers believe that the Stocksbridge Regeneration Company proposals for the redevelopment of this site are vitally important for the regeneration of Stocksbridge. It will boost employment opportunities in the area, secure investment at the Stocksbridge Steelworks, transform the town's retail offer and the new housing will improve Stocksbridge as a place to live.

Recommendations:

- (a) That authority be given to the Director of Legal Services and the Executive Director Place to agree and enter into all necessary legal documentation with the Stocksbridge Regeneration Company and any landowners to facilitate the purchase by agreement of the required land.
- (b) That Cabinet reconfirm the principle that the Council will be prepared to use Compulsory Purchase powers if necessary as a last resort in order to complete the acquisition of the site. The use of such powers, if needed, will be subject to a further detailed report to Cabinet.

Background Papers: Previous Cabinet Report of the 23rd March 2011

Category of Report: OPEN

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: David Belton
Legal Implications
YES Cleared by: Gillian Duckworth
Equality of Opportunity Implications
YES Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
NO
Human rights Implications
NO:
Environmental and Sustainability implications
YES
Economic impact
YES
Community safety implications
NO
Human resources implications
NO
Property implications
YES
Area(s) affected
North Sheffield
Relevant Cabinet Portfolio Leader
Helen Mirfin-Boukouris
Relevant Scrutiny Committee if decision called in
Economic and Environmental Wellbeing
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
NO

**STOCKSBRIDGE DEVELOPMENT PROPOSAL,
FORD LANE, STOCKSBRIDGE**

1.0 SUMMARY, OUTCOMES AND SUSTAINABILITY

- 1.1 **Summary:** This report is to update members on progress/changes in the Stocksbridge development proposal since the Cabinet report of 23rd March 2011, seeks authority to enter into all necessary legal documentation to facilitate the purchase by agreement of the required land and seeks to reconfirm the principle that the Council will be prepared to use its Compulsory Purchase powers if necessary as a last resort in order to complete the acquisition of the whole of the proposed development site.
- 1.2 **Outcomes:** By the Council agreeing to the principle of using its Compulsory Purchase Order (CPO) powers this should help facilitate the proposed development by Stocksbridge Regeneration Company (SRC) that in turn will deliver comprehensive regeneration of this currently underused site at the bottom of the Stocksbridge valley, through a mixed use retail, office and residential led development, and will also trigger investment and improvement of the Tata owned Stocksbridge Steelworks.
- 1.3 **Sustainability:** The development proposed by SRC will be on Brownfield land. It comprises in the main the footprint of a former steelworks which has now been demolished down to ground slab level. The land is contaminated in parts and the development will look to minimise the need to send any contaminated soils or materials off site for treatment or disposal.
- 1.4 The proposed development will be served by existing public transport links and is accessible by foot and non car modes of transport for many people. Journeys to and from the new jobs created, retail units and homes which will be delivered as part of the development will therefore result in lower carbon emissions as a proportion of these additional journeys are likely to be on foot or using public transport.

2.0 BACKGROUND/PROGRESS TO DATE

- 2.1 Since the Cabinet report of 23rd March 2011 SRC have undertaken a lot more detailed work on the viability and deliverability of the whole development

They have concluded that in order to create a viable and deliverable development they require both the land that is going to be developed with the commercial and residential uses to be developed in conjunction.

This will ensure the optimum mix of sustainable uses with the housing supporting the new retail and employment activities and visa versa, and it will also enable synergies and savings to be made, for example by maximising the efficiencies in the reuse of soils and earthworks on site so that the final required levels can be achieved in a way that minimises the need to import or export fill and/or the need to send contaminated soils or materials off site for treatment or disposal.

- 2.2 This need by SRC to own the land required for the residential development is contrary to what was reported to Cabinet on the 23rd March 2011.

In the body of that report it was stated that the commercial and residential schemes were independent of each other, and as a result the Council would not look to use its CPO powers to acquire the residential land, as this was not essential to the delivery of the commercial development.

- 2.3 Given the additional work done by SRC the Councils view has changed as it is apparent that the proposed development needs to be done in a comprehensive manner.

The Council accepts that both the commercial and residential land needs to be developed in conjunction in order to deliver a viable development scheme and so it is necessary for the Council to look to use, if necessary, its CPO powers to ensure that the land required for both the commercial and the residential use is in SRC ownership.

- 2.4 SRC has sought to acquire the land they require for both the commercial and residential elements of their proposal by negotiation with the existing land owners

Unfortunately terms have not to date been agreed, although the owners do appear to be willing to sell in principle.

- 2.5 SRC has also made progress on a number of fronts:-

- 2.5.1 SRC and Tata (who own a considerable part of the proposed development site) have concluded a deal whereby in consideration for including its land within the proposed development SRC will provide Tata with a new Test House facility (a high profile front of house office and technical space in which they can showcase their products and carry out state of the art testing upon them), a new dispatch warehouse (a 77,000 sqft indoor steel storage facility) a new car park, a new weigh bridge, associated highway and infrastructure improvements and enhanced flood defences all within their existing steelworks.

This investment will reinforce the specialist steel manufacturing activity at the Stocksbridge Steelworks.

- 2.5.2 Planning permissions for all the elements of the scheme (the commercial, residential and Tata facilities) have been obtained

The residential permission includes the provision of a new link road up to the A616 Stocksbridge By-Pass

- 2.5.3 SRC have had their grant application for European Regional Development Funding (ERDF) approved at the outline business case stage and their detailed business case is under consideration.

They are confident that they will be awarded the ERDF funding if they can demonstrate that the development can proceed. If awarded the funds will only be available for drawdown within a limited time window. It is therefore necessary for the development to proceed in a timely manner so this essential funding is not lost.

- 2.5.4 SRC have secured Tesco to operate the main food store when the development is complete

3.0 GOING FORWARD

- 3.1 In order to secure the ERDF funding and deliver the development SRC require the entire proposed development site to be in their ownership.

In light of the Council's support for the development as set out in the recommendations of the 23rd March 2011 Cabinet report, and their inability to acquire by negotiation the land required, SRC has now approached the Council and requested that we use our CPO powers to assemble the site

- 3.2 If Cabinet agrees to this proposal then the Council will firstly attempt to assemble the site through negotiation with the other landowners.

SRC will underwrite all the costs of these negotiations and all costs of acquiring the required land interests via a CPO Indemnity Agreement, as set out below.

- 3.3 It is hoped that it will be possible to reach agreement with all of the landowners without the need for a CPO.

- 3.4 However it is possible that they will not agree to sell and it may be necessary in those circumstances for the Council to use its CPO powers, as a last resort, in order to complete the acquisition.

- 3.5 The use of such powers, if needed, will be subject to a further detailed report to Cabinet that will set out the case for the use of the Council's CPO powers

- 3.6 The Council will only undertake these negotiations and use its Compulsory Purchase powers if all the costs of making the CPO and acquiring the required land interests are underwritten by the developer, SRC.

- 3.7 The terms of the CPO Indemnity Agreement are being agreed with SRC

4.0 FINANCIAL IMPLICATIONS

- 4.1 SRC will undertake to fully indemnify the Council against any costs incurred in the event that a CPO is necessary to secure any interests that are required to deliver the development.

This Indemnity Agreement will provide for SRC to indemnify the Council in respect of all the costs and expenses incurred in acquiring the interests required for the delivery of the development.

- 4.2.1 The terms of the CPO Indemnity Agreement will be underwritten/guaranteed jointly and severally by both Dransfield Properties Limited and JJ Gallagher Limited and its ultimate parent company.
- 4.3 The Director of Finance will undertake financial checks on both companies to ensure he is satisfied that between them they are of sufficient financial standing to underwrite SRC's obligations to the Council contained in the CPO Indemnity Agreement.
- 4.4 All of the Council's costs will, when the CPO Indemnity Agreement is signed, be recoverable and the financial risk to the Council of using its CPO powers is deemed to be minimal
- 4.4 Under the terms of the CPO Indemnity Agreement SRC will also be responsible for paying the Council's costs for negotiating and agreeing the terms of the Agreement

5.0 LEGAL IMPLICATIONS

- 5.1 It is the view of the Executive Director, Place, that the proposed regeneration of the Ford Lane area of Stocksbridge is likely to achieve the promotion or improvement of the economic and environmental well-being of the city and its inhabitants, and consequently their social well-being as well.
- 5.2 For reasons set out in paragraph 5.1 above the Director of Legal Services confirms that under section 227 of the Town and Country Planning Act 1990 the Council may acquire by agreement the land required for the development.

6.0 EQUALITY OF OPPORTUNITY

- 6.1 The redevelopment of the site will be of universal positive benefit for all local people regardless of age, sex, race, faith, disability, sexuality, etc. Local people will benefit from the creation of a significant number of new full and part time jobs. The socio economic and community cohesion impacts locally will be particularly positive.
- 6.2 No negative equality impacts have been identified. However, a full Equality Impact Assessment will be undertaken at a later stage as part of the ongoing development proposal.

7.0 ENVIRONMENTAL SUSTAINABILITY

- 7.1 The redevelopment of the site will bring back into use brownfield land that in the main is currently unused.
- 7.2 The provision of the new facilities for Tata will be on existing brownfield land within their steel plant.
- 7.3 The retail and office led development by SRC will be highly accessible to the people of Stocksbridge and will reduce the distance the need of local residents to travel to work and to shop.
- 7.3 As part of the overall development of the site existing landscaped areas will be managed with new open space introduced and new public walkways/routes will be created by the developer.

8.0 HUMAN RIGHTS ISSUES

- 8.1 The Human Rights Act 1998 incorporated into domestic law the European Convention on Human Rights (“the Convention”). The specific rights protected by the Convention include, amongst others:
- The right of everyone to the peaceful enjoyment of their possessions, which can only be impinged upon in the public interest and subject to relevant national and international laws;
 - The right to a fair and public hearing for those affected by the scheme; and

The right to a private and family life, home and correspondence, which again can only be impinged upon in accordance with law and where such encroachment is necessary in the interest of national security, public safety or the economic well being of the country

- 8.2 The above rights would be engaged by the use of a CPO to acquire land for the scheme. However, the European Court has recognised that “regard must be had to the fair balance that has to be struck between competing interests of the individual and the community as a whole”. Any interference with a convention right must be necessary and proportionate.
- 8.3 In the light of the significant public benefit which would arise from the implementation of the scheme should this become necessary, and the fact that the known owners and occupiers of land within the site will be contacted regarding the scheme and will, should their land be compulsorily acquired, qualify for compensation under the Compensation Code, the Council has concluded that in principle it would be appropriate to make the Order. It does not regard the proposed Order as constituting any unlawful interference with any

individual's rights under the Convention, including in particular any property rights.

9.0 CONSULTATION

- 9.1 As set out in the previous Cabinet report SRC has carried out extensive consultation with local residents, land owners and businesses on their redevelopment proposals for the site and planning permissions have been obtained for the commercial and residential elements of the scheme.
- 9.2 SRC has met regularly with local Members and Officers.

10.0 REASONS FOR RECOMMENDATIONS

- 10.1 Officers believe that the SRC proposals for the redevelopment of this site are vitally important for the regeneration of Stocksbridge. It will boost employment opportunities in the area, secure investment at the Stocksbridge Steelworks, transform the town's retail offer and the new housing will improve Stocksbridge as a place to live.

11.0 RECOMMENDATIONS

- 11.1 That authority be given to the Director of Legal Services and the Executive Director Place to agree and enter into all necessary legal documentation with the Stocksbridge Regeneration Company and any landowners to facilitate the purchase by agreement of the required land.
- 11.2 That Cabinet reconfirm the principle that the Council will be prepared to use Compulsory Purchase powers if necessary as a last resort in order to complete the acquisition of the site. The use of such powers, if needed, will be subject to a further detailed report to Cabinet.

Simon Green
Executive Director Place