



Cabinet Report

Report of:	Simon Green
Report to:	Cabinet
Date:	11th November 2015
Subject:	Proposed Lease of Land at Charles Street
Author of Report:	Neil Jones 2735539
Key Decision:	NO
Reason Key Decision:	N/A

Summary:

The report seeks authority to grant a lease to Sheffield Hallam University of an underused area of open space in the city centre in order to secure investment from the university in improving the quality of the open space and more active promotion of events on the space. The university will also take over the future maintenance of the space with revenue savings to the Council. This investment is one of a series of proposals which will add to the cultural attraction and reinvigoration of the CIQ and city centre

Reasons for Recommendations:

The proposed improvements to this open space and its use for far more events, alongside other investments in the area, will be a major boost for the attraction of the city centre and the CIQ in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area. It also adds to the high quality of open spaces in the city centre making it a more pleasant place to live.

The proposal to grant a lease for 25 years will unlock an investment from SHU approximately £400,000 and will remove a maintenance liability from the Council of approximately £1,000pa. The refurbishment of the land will benefit a Council owned asset which is currently in a poor state of repair.

Recommendations:

1 That Cabinet notes the investment and approves the proposals to enter into the lease of land at Charles St to Sheffield Hallam University on the terms set out in this report.

2 That Cabinet delegate authority to the Executive Director Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this transaction

3 That the Director of Legal and Governance be authorised to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interest

Background Papers: None

Category of Report: OPEN

If CLOSED add 'Not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).'

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Paul Schofield
Legal Implications
YES Cleared by: David Blackburn
Equality of Opportunity Implications
NO :
Tackling Health Inequalities Implications
NO
Human Rights Implications
NO
Environmental and Sustainability implications
NO
Economic Impact
NO
Community Safety Implications
NO
Human Resources Implications
NO
Property Implications
YES Cleared by: Nalin Seneviratne
Area(s) Affected
City Centre
Relevant Cabinet Portfolio Lead
Cllr Sioned-Mair Richards
Relevant Scrutiny Committee
Is the item a matter which is reserved for approval by the City Council?
NO
Press Release
NO

PROPOSED LEASE OF LAND AT CHARLES STREET

1.0 SUMMARY

- 1.1 The report seeks authority to grant a lease to Sheffield Hallam University of an underused area of open space in the city centre in order to secure investment from the university in improving the quality of the open space and more active promotion of events on the space. The university will also take over the future maintenance of the space with revenue savings to the Council. This investment is one of a series of proposals which will add to the cultural attraction and reinvigoration of the CIQ and city centre
- 1.2 In order to secure the investment from the university the Council is being asked to support the project by granting the lease at a peppercorn rent.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 The grant of the lease to the university will unlock investment which will greatly improve the quality of the this open space for the benefit of the whole population of Sheffield.
- 2.2 The proposed Events Policy will encourage activities to take place here both for the university and during festivals such as Tramlines and DocFest

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The proposed improvements to this open space and its use for far more events, alongside other investments in the area, will be a major boost for the attraction of the city centre and the CIQ in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area. It also adds to the high quality of open spaces in the city centre making it a more pleasant place to live.
- 3.2 The open space is currently in a poor condition relative to the generally high quality spaces in the city centre. The improvements will include more landscaping and planting which will have environmental benefits in addition to being a more attractive space.

4.0 BACKGROUND

- 4.1 The City Council is the owner of a small area of open space at Charles Street/Paternoster Row in the Cultural Industries Quarter (CIQ) shown on the attached plan. This was originally laid out as an open space at the time of the development of the National Centre for Popular Music but it is currently under used and in a poor condition relative to most of the other public spaces in the city centre.

- 4.2 There are over 300 companies in the CIQ, most of which are connected to creative or cultural industries, including film-making, music production, software design, broadcasting, new media, architecture, art and traditional crafts. The area also includes the city centre campus of Sheffield Hallam University (SHU) and an increasing residential community which includes a large number of students but also non-students. Despite its success as a trail-blazing example, there is now a consensus that the CIQ has lost ground to similar clusters of creative businesses and activity in other cities and that it needs to refresh and update both its cultural and commercial offer and public space for a growing resident and business population.
- 4.3 SHU are currently investing heavily in their city centre campus on both new buildings and public realm. The open space is opposite the Student Union building and SHU wish to see this space improved and have identified approximately £400,000 in funding to facilitate this and will thereafter maintain it in return for the right to have exclusive use of the space for an agreed number of events each year. Planning permission for the improvements was granted earlier this year.
- 4.4 Terms have been agreed in principle to grant SHU a 25 year lease of the land. SHU will carry out the improvement works in accordance with the approved planning permission and use all reasonable endeavours to complete the works within 6 months of commencement.
- 4.5 The Council and SHU are to agree an Events Policy which will be annexed to the lease. The policy will set out the basis upon which organised events will be permitted to take place upon the land; the maximum number of events each year and the criteria whereby organisations other than SHU will also be able to hold events. Other than when an event is being held the land is to be used solely as an open space freely available for use by the general public with no restrictions upon such use and enjoyment by the general public.
- 4.6 A report also on the agenda of this meeting of Cabinet sets out proposals to grant a lease of the former Sheffield Independent Film premises opposite the square to Site Gallery for a major expansion of the gallery mainly funded mainly by the Arts Council. The Council is also currently marketing the Porter Brook site in the CIQ for a new mixed use development and carrying out works to create a new pocket park and enhancements to the river on that site. This combination of investments and activity will all play an important part in reinvigorating the CIQ and its attractiveness to businesses, visitors and residents.

5.0 FINANCIAL AND PROPERTY IMPLICATIONS

- 5.1 The land has not been openly marketed as it is extremely unlikely that another organisation would have the funding or wish to invest and maintain the open space and continue to allow free public access at virtually all times. The lease will restrict the use to these purposes. This is also a planning requirement and therefore there would not be a market rental value for a lease on these terms.

5.2 SHU clearly see some value to the university from the proposals as it improves the setting of their city centre campus which helps them to attract students in an increasingly competitive environment. However this cannot be quantified in financial terms and SHU would not be willing to invest the money which they are going to spend to improve and maintain the space for free use by the public at virtually all times if they were also required to pay a rent to the Council.

5.3 The proposed investment will greatly improve the quality and increase the use of the open space at no cost to the Council and relieve the current maintenance costs of £1,000pa. The improvement works will play an important part in the strategy to increase activity and refresh the wider Cultural Industries Quarter as identified in the City Centre Masterplan.

6.0 LEGAL IMPLICATIONS

6.1 As stated at paragraph 5.1 there is not considered to be a market value for a lease to be granted on the terms proposed and so the disposal to SHU is not being granted at an undervalue.

6.2 As the square is currently a public open space and the proposed lease is for over seven years the disposal will need to be advertised in accordance with the requirements of S123 (2A) of the Local Government Act 1972. Consideration will need to be given to any objections made to the proposed disposal.

7.0 EQUALITY OF OPPORTUNITY

7.1 There are no direct equality impacts arising out of the decisions to be made in this report.

8.0 ENVIRONMENTAL SUSTAINABILITY

8.1 There are no direct environmental sustainability issues arising out of the decisions to be made in this report. The proposed improvements and landscaping will have environmental benefits in addition to being a more attractive place

9.0 HUMAN RIGHTS ISSUES

9.1 There are no human rights implications arising from these proposals.

10.0 CONSULTATION

10.1 Officers from the Council and SHU have held consultations with existing businesses, cultural establishments and other stakeholders in the CIQ in respect of the proposals and these have been very well received.

10.2 As stated at paragraph 3.4 the proposal to grant a lease of over seven years will need to be advertised in accordance with S123(2A) Local

Government Act 1972. Consideration will need to be given to any objections made to the proposed disposal.

11.0 ALTERNATIVE OPTIONS

11.1 The Council could simply do nothing and leave the open space as it is which would have little benefit and it would continue to be poorly used.

11.2 Alternative sources of funding could be sought to carry out the improvements but such funding is limited and if it was possible to secure any then that would be at the expense of other schemes. Whereas by utilising the investment from the university it is hoped to use this as match to drawdown further funding for improvements in this part of the city centre.

12.0 REASONS FOR RECOMMENDATIONS

12.1 The proposed improvements to this open space and its use for far more events, alongside other investments in the area, will be a major boost for the attraction of the city centre and the CIQ in particular. This has wider economic benefits in terms of making the city an exciting place to locate and attract talented staff for businesses in the creative and digital industries which is a key growth area. It also adds to the high quality of open spaces in the city centre making it a more pleasant place to live.

12.2 The proposal to grant a lease for 25 years will unlock an investment from SHU approximately £400,000 and will remove a maintenance liability from the Council of approximately £1,000pa. The refurbishment of the land will benefit a Council owned asset which is currently in a poor state of repair.

13.0 RECOMMENDATIONS

13.1 That Cabinet notes the investment and approves the proposals to enter into the lease of land at Charles St to Sheffield Hallam University on the terms set out in this report.

13.2 That Cabinet delegate authority to the Executive Director Place in consultation with the Director of Capital and Major Projects and the Director of Legal and Governance to agree the terms of the documentation required to effect this transaction

13.3 That the Director of Legal and Governance be authorised to complete such legal documentation as she considers necessary or appropriate in connection with this transaction on such terms as she may agree to give effect to the proposals set out in this report and generally to protect the Council's interests

Simon Green Executive Director Place

