



Author/Lead Officer of Report: The Director of Capital and Major Projects

Tel: 2735539

Report of: Executive Director, Place
Report to: Cabinet
Date of Decision: 20th July 2016
Subject: Sheffield Retail Quarter – Delivery of First Phase

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? Business and Economy				
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing				
Has an Equality Impact Assessment (EIA) been undertaken?		Yes	<input checked="" type="checkbox"/>	No
If YES, what EIA reference number has it been given?				<input type="checkbox"/>
926				
Does the report contain confidential or exempt information?		Yes	<input checked="" type="checkbox"/>	No
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				<input type="checkbox"/>
Part 2 of this report and Appendices B and C are not for publication by virtue of Regulation 20(2) Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 because, in the opinion of the proper officer, it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.				

Purpose of Report:

This report seeks approval for the Council to commence delivery of the first phase of the Sheffield Retail Quarter development on the site of the former Grosvenor Hotel block as shown on the plan attached (hereinafter referred to as the HSBC/Retail Block), and to work with its Strategic Development Partner to work up a deliverable and commercially viable wider Sheffield Retail Quarter scheme.

Recommendations:

That Cabinet

(1) Approves the strategy outlined in this report for the delivery of the next stage of the Sheffield Retail Quarter to December 2017

2) Delegates authority to the Executive Director of Place in consultation with The Cabinet Member for Business and Economy, The Cabinet Member for Finance & Resources , Executive Director of Resources, the Director of Legal & Governance and the Director of Capital and Major Projects, to

- Negotiate and agree the terms of an Agreement for Lease and Lease with HSBC for their new office development within the Sheffield Retail Quarter site and all other necessary legal documentation consistent with the contents of this report as he believes are reasonable in all circumstances
- Negotiate, and agree the terms of an Agreement for Lease(s) for the retail units within the HSBC/Retail Block and all other necessary legal documentation
- Submit detailed a planning application for the development of the HSBC/Retail Block and adjoining public realm improvement works and to secure all necessary consents to enable delivery to proceed.
- Continue the appointment of the full professional team to undertake detailed design work on the HSBC/Retail Block and the Sheffield Retail Quarter public realm improvement works and to progress the wider Sheffield Retail Quarter planning permission.
- Procure construction services and enter into contracts for pre-construction services for the Sheffield Retail Quarter development in accordance with the Councils usual procurement process and any applicable laws relating to procurement with contract values not exceeding the project financial authority
- Commission and agree terms with any other specialist consultants to advise the Council as necessary throughout the course of the Sheffield Retail Quarter project
- Upon completion of the Agreement for Lease and Lease with HSBC to let the construction contract(s) for the development of the HSBC/Retail Block and the public realm improvement works together with any retail/food and beverage kiosks/units, subject to the Councils usual procurement process and any applicable laws relating to procurement with the total cost not exceeding the project authority

- Negotiate, agree and enter into conditional Agreement for Lease(s) and Lease(s) for the remainder of the retail units within the Sheffield Retail Quarter together with all other associated office residential food and beverage and leisure units
- Determine the most appropriate disposal strategy for the Council and if necessary sell the whole or any part of the HSBC/Retail Block as an investment and if necessary use the Councils covenant to underwrite the financial viability
- Amend the Councils VAT Partial Exemption reporting policy to maximise the recovery of VAT on expenditure relating to the HSBC/Retail Block and liaise with HMRC accordingly.
- To instruct the Director of Legal & Governance to complete all necessary legal documentation required to document the terms of any transactions agreed in accordance with the approvals delegated pursuant to this report.

Subject to compliance with the Councils budget processes, financial regulations and Capital Approval processes.

(3) That in the absence of the Executive Director of Place due to annual leave or illness, the Director of Capital and Major Projects is authorised to exercise the powers given to the Executive Director of Place by Cabinet in this report

(4) Approves

- The budget as set out in this report to deliver the HSBC/Retail Block and all necessary public realm improvement works of up to a maximum of £90m.
- For this budget to be funded through Prudential Borrowing and be subject to the phasing of the spend going through the Council Capital Approval process,
- To earmark any business rates uplift to repay any balance of the Prudential Borrowing, and
- The application for Sheffield City Region Investment Fund (SCRIF) funding to be applied in accordance with any obligations or restrictions that the funding is subject to.

(5) Approves the additional £35.8m budget as set out in this report to progress the wider Sheffield Retail Quarter development up to December 2017, to be funded through Prudential Borrowing

(6) Delegates authority to the Executive Director of Resources in consultation with the Executive Director of Place to approve the release of the budget on the satisfactory completion of each of the relevant milestones.

Background Papers:

Sheffield New Retail Quarter Report to Executive Leader dated 8th October 2013, New Retail Quarter Steps Towards Delivery Report to Cabinet on 23rd July 2014

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Jayne Clarke
		Legal: David Sellars
		Equalities: Beth Storm
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	Simon Green, Executive Director Place
3	Cabinet Member consulted:	Councillor Leigh Bramall
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Nalin Seneviratne	Job Title: The Director of Capital and Major Project
	Date: 11 th July 2016	

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