Sheffield Land and Property Plan

Foreword

The 21st century is the century of cities. Great cities like Sheffield are solving the problems of today – climate change, housing, health, inclusive economic growth – and creating the world of tomorrow because cities and their people, leaders and businesses operate at a level where real positive change can be achieved. The best global cities use their history and heritage to establish energetic, 21st century versions of themselves that maximise opportunity and quality of life for their residents – and Sheffield is no different.

The City Council's land, property and assets have a significant role to play in shaping the future of the city and how we as a council use them to continue to provide quality services to the city's residents and communities. The 'Sheffield Land and Property Plan' sets out at a high level, how we will use and manage our assets to achieve our ambitions for Sheffield, building on the achievements of our previous asset management plan 'Assets for our Communities'. Inspired by our initial successes, we are confident in our ability to improve further, meeting new and ambitious goals for the future.

We're clear what kind of place we want Sheffield to be – a prosperous, vibrant city for those that live, work and visit here – our Transport, Housing, Economic Strategies and the City Centre Plan all underline this. But to achieve this we need to put in place the building blocks that all modern 21st century cities need. We need a housing market that provides quality, choice and affordability, ensuring that everyone has safe and warm homes in which to live. We need to create a transport network that is sustainable, eases congestion and improves access across the city and beyond; and we need to work with the city's schools, colleges and universities to provide high quality education and skills provision, that connects more people to work and job opportunities.

Above all as a council we want to improve the quality of life for all, with public services that provide value for money and are easy to access, so that people can lead safe, independent lives, realise their ambitions and contribute to the life of the city.

This Plan is intended to be used as a framework to help maximise the benefits derived from our land, property and buildings in supporting service delivery, raising revenue through income, delivering on our corporate priorities, raising capital to enable investment and pump priming development and regeneration opportunities through the redevelopment of significant sites.

Cllr Olivia Blake

"Right asset, right place, right time, right decision"

Cities are defined and identified by their physical appearance and shape, none more so than Sheffield which is a physically and geographically unique place to live, work and visit. Combining a bustling, major city centre, a network of local centres and the spectacular Peak District National Park, we're known for our hills, our rivers and our industry. As the city develops and changes, we want our economy to be stronger with economic success for everyone in Sheffield. For us, a growing economy has to mean that Sheffielders live better, healthier lives with good jobs, good incomes, good public services and affordable, high quality homes across the city's neighbourhoods.

How the city uses its land and property assets has a vital role in supporting the changes and developments that communities want to see across the city: providing spaces for businesses and local groups to develop and thrive, making land available for new schools, homes or businesses; or disposing of unwanted land or property to generate new income to invest in council services.

Whilst compared to some other cities, Sheffield City Council does not own a huge amount of land in the city¹; the Council remains a significant land and property owner:

- Over 4,000 assets e.g. industrial and retail units, agricultural land, allotments
- 5% of the land in the city worth over £1bn covering over 5,000 hectares
- Over 750 operational assets i.e. social care facilities, sports and leisure centres, parks and buildings from which SCC services are run

The Council therefore has a significant lever which it can pull to shape the change that people, communities and businesses want to see across the city and this Strategy sets out the approach which will guide how we will use the city's assets to improve lives and create a stronger economy that works for all Sheffielders.

"Right asset, right place, right time, right decision" - a clear framework

Every decision we make about how we use our land and property assets should be driven by our vision for the things that we want to achieve for the city balanced against the financial constraints within which the Council operates. Aside from staff, property is the second most expensive resource and given unprecedented reductions in public sector funding, there is now, more than ever a need to ensure effective, efficient and joined up use of the council's assets. Property is not a free resource and given the financial constraints within which the Council now operates, there is a compelling need to reduce current and future operational running costs, whilst increasing income from its property holdings.

Each land and property asset that the Council owns is different and therefore our approach needs to be flexible so that when we decide to use an asset differently, it has to be for the right reasons and deliver the results that local people and the city wants. Therefore, there a number of principles which guide the delivery of this strategy:

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 $^{^{1}}$ Bristol City Council owns around 40% of the city's land; Leeds City Council owns around 13%.

- Improving the quality of life for all communities in Sheffield shape the city and the places and communities within it, supporting guiding and delivering growth and development and acting as a catalyst to drive regeneration and change where there is a clear case to do so
- Intelligence-led with decisions about the city's estate underpinned by robust information, evidence and insight
- Joining-up key services for communities ensuring that we have a single approach across all the Council's portfolios and with partners in the city that is focused on the best outcomes for the city
- Supporting the delivery of good services for people our services will be delivered from a core estate of land and buildings which are fit for purpose, fully used, well maintained and meet the needs of services and customers both now and in the future. Our estate will reflect our demand we will ensure there is a tight fit between service demand and building supply and will only retain the minimum necessary from which to deliver our services
- Supporting a stronger city economy that works for all using our let portfolio of properties to support business development, economic growth and community enterprise and generate income
- Unlocking money to support new investment we will dispose of our surplus estate in a timely manner to reduce costs, generate capital receipts and free up revenue funding streams to improve and support services and the delivery of wider city priorities
 - A 'one' council approach to property and facilities management we will operate a Corporate Landlord model backed by strong governance to ensure all decisions made about our estate are taken with the wider interests of the Council in mind

A strategic approach to asset management: why it matters for Sheffield

Cities never stand still; they are constantly changing and developing. We have a number of major decisions to make over the coming years against a backdrop of significant economic and political uncertainty nationally. So, whilst we cannot control the wider political landscape, our plans and strategies can provide greater vision and certainty by setting out:

- what we want to achieve;
- how we want/expect the city to develop spatially and economically;
- what long-term investments we are going to make;
- how we are going to tackle the core challenges facing the city's economy.

All local authorities need land and property to accommodate employees and deliver essential public services. Aside from personnel, property is the second most expensive resource and has a direct impact, on the quality of services provided to the people of Sheffield.

In response to the significant financial pressure faced over the last decade, the Council has made good progress in rationalising its operational and non-operational estate significantly reducing operational running costs. In addition to these revenue savings, efficiencies have also been achieved through the rationalisation of the estate into fewer buildings and disposal of surplus assets, which in turn reduces the significant pressure on the council's maintenance budget and provides much needed capital funding for other important Council investments. Key successes have included the

rationalisation of the Council's city centre office accommodation and consolidation of staff into three main buildings – Moorfoot, Howden House and the Town Hall.

But this is only part of the story; we also want to use our assets to enable positive social and economic outcomes whilst delivering better services for residents. For example, we will continue to let land and property for community and economic development but in turn this must make economic and commercial sense in light of the financial pressures faced by the council. To this end we will regularly review how our assets are being used to ensure that we are maximising the return on our investment and pursue a greater understanding of building utilisation and commercial value.

A unique city: a unique challenge

This is a time for opportunity. Our rapidly expanding creative and tech sectors are growing our economy, building on our world-renowned expertise in advanced manufacturing and wellbeing. Our population is growing and with this growth comes new ideas and confidence. We are a city that thinks and creates, that invents and makes. Cities like Sheffield are increasingly the places that people want to live, work, learn and enjoy their lives. Our city is unique and we want a fairer Sheffield where everyone in every part of our city has the best life chances and opportunities, with the education and skills, good jobs, and high quality and affordable homes that people need. As a City of Makers and the UK's Outdoor City, we are seeing significant economic change which is bringing new jobs and opportunities to the city:

- our employment rate is at its highest since 2004 and recent employment growth has come from higher skilled jobs;
- the property market is booming with 2500 homes built in 2017/18 the highest since the global crash of 2008;
- Sheffield's incomes are increasing faster than most English Core Cities up by 13% since 2011:
- our City Centre is currently home to 67,000 jobs and this is projected to rise by a further 20,500 by 2024 (a 42% increase);
- Office take-up in Sheffield almost doubled between 2016 and 2017, 25% above the ten-year average; and
- We've seen major inward investments into the city by leading global companies such as McLaren, Boeing and HSBC.

How we best use our physical space, land and property has a critical role in creating a fairer city — where we develop the new housing that Sheffielders need so that everyone has access to a safe, secure, warm and affordable home; where we build new schools and colleges to give future generations access to great education and training; where we enable businesses to invest, grow and create good jobs; where we provide a network of parks and open spaces as the UK's Outdoor City to promote health and wellbeing, and finally how we connect everything and everyone up with reliable, affordable and clean transport networks.

Sheffield is at an important point in its history. We are witnessing a number of major current and planned developments across the city centre including the HSBC building on the former Grosvenor

Hotel site, the emerging China Town near London Road, as well as the £500m planned redevelopment of the city - Heart of the City 2, which includes the successful revival of the Moor. In addition the Council has also launched the City Centre Plan that outlines the changing face and opportunities for the city centre over the next ten years to 2028. A major part of this is the High Speed 2 (HS2) masterplan and the role transport has in rebalancing the UK economy back towards the regions. The proposed Midland Mainline station redevelopment will again highlight the importance of how we use the council's assets to foster economic and social regeneration across the city.

But it is not just the city centre where we are witnessing the changing face of the city and the important role that the councils land, property and assets have to play. The creation of the Olympic Legacy Park as a combined education and Olympic Legacy campus for health and sport that will bring long term benefits for both the city and the nation on the former Don Valley site. Around 3,000 people will work, learn and improve their fitness at the multi-million pound 35 acre site in the Attercliffe area with world-class sports, education, health and leisure facilities.

But, our heritage and physical geography continues to shape how our neighbourhoods and economic centres. Sheffield is a physically large, topographically diverse city that was comprehensively rebuilt during the 1950s and 1960s following heavy bombing during the Second World War, with subsequent major urban expansions in the 1960s and 1970s. Sheffield's globally recognised heritage in the steel industry has empowered us, creating world-leading capabilities in advanced manufacturing which are critical to the city's economy today and will shape the future of industry across the world tomorrow. But, this industrial legacy combined with the city's famous hills and valleys has left us with large, strategically important brownfield sites that can be tricky and costly to develop. Further, compared to other Core Cities, Sheffield City Council has limited land holdings, owning approximately 5% of land in the city, much of which is classed as greenbelt or located in rural areas and unavailable for development. This contrasts with other Core Cities who have much larger land holdings and therefore a greater ability to influence development. This Plan is intended to be used as a framework to maximise the benefits derived from our land, property and buildings as we put in place the building blocks that all modern 21st century cities need, including:

Homes for all

Sheffield is recognised as being a city with some of the highest quality neighbourhoods in the North, which is a major asset and means that wealth generated and earned within the city, often stays within the city. However, there is insufficient quality, choice and tenure mix across the city which meets the needs of all.

Property markets are still relatively weak (although recovering), values are still relatively low in some areas across the city and the city's land values, investment and property markets, lag behind its near neighbours in Leeds and Manchester. Like many former industrial cities, there are issues in bringing sites forward for development including topography, contamination, flooding and infrastructure and there remain large areas of low value, low quality industrial and office premises.

To address this, the City Council is committed to using its land and property assets to deliver the ambitions set out in the housing strategy – 'Homes for All'. If we want to have a more inclusive and successful city, we need our housing to offer choice, be affordable and provide good quality homes

for all. Good quality and affordable housing plays a vital role in Sheffield's economy. It enhances Sheffield's competitiveness by attracting and retaining businesses and their workforce. It also supports vital construction jobs and opportunities for businesses. In the future we want to increase the range of good quality and affordable homes available in the city and tackle the instance of poor and inappropriate housing which can cut people off from the city's economy and prevent them from fulfilling their potential and living healthy and active lives.

Creating a stronger city economy that works for all

Cities like Sheffield are drivers of economic growth. This growth can help bring major social, financial and cultural opportunities for our residents, communities and businesses. However, as we know from evidence, this growth has not resulted in a more equal city. In Sheffield, wide inequalities in healthy life-expectancy, chronic, long-term health conditions and deprivation are both defining factors of economic exclusion and significant challenges in developing policies to make growth more inclusive in the city.

We have already recognised, and begun to grapple with, the complex challenges of delivering sustainable economic growth whilst driving down inequality in the city. Partners across Sheffield have been working for a number of years to identify barriers and develop solution to these particular challenges. But we can do more - we need an economy that is driving jobs for all.

We want a stronger economy in Sheffield that creates new opportunities for people. This means tackling low pay, creating quality jobs and boosting business growth, particularly amongst the SMEs that form the bedrock of the economy. Sheffield's unique economic and cultural assets need to become a stronger magnet for innovative and creative businesses and individuals to drive business competitiveness, helping the city become more resilient to economic shocks in the future. The importance of place will underpin our approach to the city's economy: recognising the value of particular areas of the city but also how local people are connected to those areas and the opportunities within them.

Physical and digital infrastructure

Investment in access and connectivity is essential to unlocking places which are socially and economically vital to long term growth and investment. If the city is to grow and unlock brownfield sites, targeted investment is required in new strategic infrastructure – flood alleviation, utilities, transport, schools, health and social care, retail and neighbourhood centres – all the ingredients that make great places and successful communities. This strategic investment is the subject of other work however. How we manage and dispose of the council's assets therefore creates a number of opportunities for the council to invest in the city and its physical and social infrastructure.

Sheffield is already the city with the most rapidly growing digital sector and thanks to a 10 year partnership between the City Council, City Centre BID and Idaq, superfast broadband will be rolled out across a large part of the city centre in 2018 using the roof space of council property to provide fast free Wi-Fi public spaces and streets, enhancing both the visitor/shopper experience and supporting web-based business development – helping the city to achieve its ambition to be the most digitally connected city in the UK.

Creating fairer futures with better, joined-up public services

We know that there is a strong argument for a simpler and easier-to-navigate; more effective; and more efficient way of organising the public sector estate across Sheffield. Recent research and evidence suggests that 'people centred services' that place customers at the heart of the decision making process are far more effective in achieving sustainable improved outcomes. To this end, we recognise the key role that integrated public services have to play in this and so we are focused on improving public services through co-location, integration and simplification while unlocking development land, capital receipts and securing savings. The strategy will align our investments (for example in enabling infrastructure) with the key, transformational land opportunities that emerge, optimising delivery and market potential, and achieving enhanced value for money.

In short, our public assets could be a major facilitator for better and more joined up public services across the city.

Statutory Compliance, Property Maintenance

Responding to budget reductions and service transformation requires the Council's property base to be more agile than ever. However much of the Council's estate is old, in poor condition with high backlog maintenance costs and poor energy performance – in short, it is no longer fit for purpose. This presents a very real and prominent challenge for the council that must be addressed to ensure that our asset base remains viable. There is an urgent decision to be made between maintaining a traditional public sector service offer or, moving to smaller, high quality estate providing a wider range of public and community services. The city's ever changing demographics mean that a lot of the buildings used for service delivery are no longer in the right location and no longer meet the needs of citizens.

The Council has focussed efforts on ensuring that all properties remain safe for the people that use and work in them and that budgets are sufficient and prioritised to meet the Council's compliance duties. However, total costs for addressing backlog maintenance and statutory premises compliance by far exceed the annual financial revenue allocation available for meeting these costs. Without remedial action this traps the council's estate in a deteriorating cycle of only being able to address the most pressing issues. Some of the buildings are reaching crisis point and without significant investment in the near future, there will be no option but to close them.

It is therefore essential that the council adopts a strategic approach to the management of its assets, maximising their use, minimising running costs, including the cost of ownership and the commissioning of services (internal or external) and releasing those assets that are no longer required in a timely, cost effective manner that maximises the benefits to citizens.

Operational Estate – Delivering Council Services

Is intelligence led – with decisions about the city's estate underpinned by robust information, evidence and insight

We will:

- Gather, record and maintain information about the estate to provide sufficient information to make decisions
- Interpret the information to inform decision making and priorities for investment including cost data i.e. use, maintenance and value

Support the delivery of good services for people — our services will be delivered from land and buildings which are fit for purpose, fully used, well maintained and meet the needs of services both now and in the future

We will:

- Ensure decisions about the estate are taken corporately through a corporate landlord model
- Base accommodation management decisions on service need and delivery requirements
- Extended use of buildings outside of core hours where cost effective to do so to facilitate shared use and shared costs
- Apply workstyle principles to operational buildings to reduce overall space required for service delivery, increase building utilisation, promote flexibility of building use
- Only hold the minimum estate required for service delivery. Reducing inefficient and unfit property through timely disposal thereby avoiding ongoing associated costs
- Invest in the land and buildings we retain to meet agreed standards, ensure legal compliance, energy efficiency and reduce running costs
- Dispose of property no longer required for service delivery and minimise vacant property holding costs
- Support wider public sector working through colocation and joint working arrangements with other public sector partners

communities — ensuring that we have a single approach across all the council's portfolio and with partners in the city that is focussed on the best outcomes for the city

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services

for

Join

up

Our Let Estate – Supporting economic and community development

Supports a strong city economy – using out let portfolio of properties to support business development, economic growth and community enterprise

Improves the quality of life for all communities in Sheffield – shape the city and the places and communities within it, supporting, guiding and delivering growth and development and acting as a catalyst to drive regeneration and change

We will:

- Retain and invest in a core of commercial properties within the City which deliver council priorities for community and economic regeneration and generate a return in line with agreed parameters
- Identify latent or under-developed income potential and release unproductive and poorly performing commercial property which no longer delivers financial or wider benefits
- Acquire or invest where there is a strong business case to do so
- Manage the retained estate effectively and efficiently to maximise rental income
- Ensure consistency and develop a clear policy for lettings to community and voluntary groups.

 Ensure any lettings for community use are based on sound business cases, meet needs of community and city and are fundamentally viable and sustainable
Seek to reduce the cost to the Council of running the let estate by letting property at market value unless there is a clear business case and financial resources to do otherwise

Land and property for regeneration and growth

Improves the quality of life for all communities in Sheffield – shape the city and the places and communities within it, supporting, guiding and delivering growth and development and acting as a catalyst to drive regeneration and change

Unlocks money to support new investment — generates capital receipts and frees up revenue funding streams to improve and support services and the delivery of wider city priorities

Supports a stronger city economy – using our let portfolio of properties to support business development, economic growth and community enterprise

We will:

- Use our land and property interests to shape the City and the places and communities within it
- Guide, support and deliver growth and development on council owned and private sector land where there is a case to do so. Strategically investing and acquiring land using our powers where necessary
- Stimulate regeneration and act as a catalyst for change that showcases the art of the possible on our own land and in partnership with others
- Use our land and property interests and our role as a local authority to provide more high quality, mixed tenure, affordable homes with the accompanying infrastructure to support them
- Use our land and property interests and our role as a local authority to provide high quality commercial, office and business space to support the city's growth ambitions and to encourage investment

Surplus Estate

Unlock money to support new investment – generates capital receipts and frees up revenue funding streams to improve and support services and the delivery of wider city priorities

We will:

- Minimise the number and impact of underused, empty and derelict council owned land and buildings through timely disposal
- Minimise vacant property and holding costs through the timely release of assets no longer required for service delivery
- Develop and deliver a disposals programme which supports corporate outcomes and capital and revenue funding requirements
- Ensure clear alignment of the disposals programme and capital programme with a clear agreed forward programme
- Dispose of all land for best consideration/market value unless there is a clear business case to do so which supports delivery of Council priorities

What does success look like?

This is without doubt an ambitious and bold approach to managing the council's assets and so it is crucial that we monitor and review our progress against the above areas of focus. We're clear what success will look like; we will have:

- A clear decision making process that aligns with the council's wider strategies and ambitions for the city
- A 'one' council approach to property and facilities management through our Corporate Landlord function and responsibilities
- A leaner, more cost effective operational estate
- Public buildings which house council and other public and third sector agencies
- A commercial estate that allows the council to support sustainable community activity and groups where possible, whilst providing a reliable income stream at minimal cost
- More quality houses being built that meet the needs of Sheffield's citizens and that release capital and revenue income streams
- Major economic and regeneration projects delivered through the use of council assets delivering capital and revenue income
- A comprehensive understanding of 'what we've got and how it performs' through our Asset Data Management System
- A well maintained and compliant estate

Building and maintaining a comprehensive evidence base of our assets will require the use of in depth insight and intelligence from a range of sources. To further enhance this knowledge and to provide a full range of information upon which to base future planning and decision making, we will monitor our progress against the above outcomes through a suite of key performance indicators (KPI's) that will in turn be reported to the Corporate Property Group. These KPI's reflect the breadth of our ambitions but also the extent of our asset base i.e. commercial, operational and surplus estate. The KPI's include:

- The cost of running our service delivery offer
- The amount invested in our estate
- Service user and building user satisfaction
- The quality of our buildings
- Our energy usage
- The amount of and cost of holding surplus property
- Our annual capital receipts
- The income generated and the cost of running of our commercial estate
- Sites released for housing and economic development
- Assets acquired to assist economic and housing growth

In addition we will also commit to utilising benchmarking against comparator cities, other public sector institutions and where appropriate the private sector. This will help us to ensure that any and

all decisions taken are grounded in sound reasoning and as a result provide the best outcomes for both the council and Sheffield residents.

Timescales

The Strategy will have a five year horizon, reviewed regularly and updated as required in order to respond to both internal and external change. As a strategy the document is not a detailed guide to the management of the wide range of individual assets held by the council but articulates policy to support management and decision making.

The next five years

In keeping with the five year horizon of this strategy, we will develop an annual work programme as overseen by the Corporate Property Board. This work programme outlines planned activity against:

Operational Estate – Maintaining the tight fit between service delivery demand and property supply, remove unfit for purpose buildings and refurbish or develop a range of buildings offering a wider range of public and community services over longer opening times with increased user utilisation and lower running costs.

Commercial Estate –Increasing return on investment through the sale of poorly performing property. Exploiting the uniqueness of our agricultural holdings to support other Council priorities.

Development and Regeneration –Exploiting the opportunities offered by High Speed Rail and the Northern Powerhouse initiatives, continuing the responsive mixed development approach to the city centre, promoting self- investment in marginal sites to lever in wider investment, using local powers to promote site assembly for housing and economic growth.

Surplus Estate –Repurposing suitable buildings, timely marketing and disposal of surplus assets to minimise targeted investment costs and using asset enhancement techniques to maximise the value of our surplus land or property.

Community Estate – A consistent approach to community use of assets, increasing community capacity and capability to safely manage assets, encouraging joint use and co-location within existing operational assets to increase building utilisation

Governance

To support the decision making process and to ensure that we achieve the right outcome for the council, the city and its communities, thereby achieving our vision - "Right asset, right place, right time, right decision" - we have clear governance arrangements in place through the Corporate Property Board with Member responsibility residing with Cabinet, Portfolio Holder for Finance.

This Board will use the principles contained within this strategy and the identified Member priorities as a framework and catalyst to drive the decision making process, ensuring that the council receives the maximum economic and social returns on its assets.

Case studies



Case study 1: Co-location in Woodseats

The library is part of a new building opened during 2017, which includes the Woodseats Medical Practice. It's on the site of the old library branch which was demolished to make way for the new one.

Woodseats Library will be open for 31 hours a week, with a late night and Saturday opening. Groups for babies, toddlers and children are already established and there will be others including a Sporting Memories reminiscence group.

The building also includes community rooms, and will be used to run joint projects with the medical practice to improve people's health.

The new library includes a children's area, with a 'reading tree' inspired by the nearby Graves Park, with natural colours to represent the green outdoor spaces. It also has a computer area with free computer and internet use, key to helping the city tackle its digital skills and digital inclusion agendas.

The library and medical centre will be vital to promoting positive health and wellbeing for the whole community, as well as being a useful resource for health information, with medical staff on hand to recommend books which will be in the library to help people look after their own health and help with a range of conditions, including mental health.

Case Studies



Case study 2: Don Valley Olympic Legacy Park

Following demolition of the original stadium building and a successful application for ERDF funding for the decontamination and remediation of adjacent brownfield land a collaboration between SCC, Sheffield Hallam University and Sheffield Teaching Hospitals together with Sheffield Children's Hospital, The University of Sheffield, Sheffield College, and other public and private funding and investment has seen a major transformation of the site to date with significant additional benefits to follow.

Centre stage is the creation of a combined education and Olympic Legacy campus for health and sport that will bring long term benefits for both the city and the nation. Around 3,000 people will work, learn and improve their fitness at the multi-million pound 35 acre site in the Attercliffe area of Sheffield, South Yorkshire, with world-class sports, education, health and leisure facilities.

The campus complements the existing adjacent world class facilities of Sheffield Arena, Ice Sheffield and the English Institute of Sport with a new £16m 2-16 Through School and Sheffield's second £10m University Technical College.

The AWRC model will mirror the highly successful Advanced Manufacturing Research Centre (straddling the Sheffield-Rotherham border) which has successfully created a £150m Advanced Manufacturing Park where companies such as Boeing and Rolls Royce are located. The AWRC will take services and products from concept to market, maximising wealth and job creation opportunities from the intellectual property and knowledge and products developed on the campus

