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**Report of:** Laraine Manley, Executive Director Place

**Report to:** Cabinet

**Date of Decision:** 17/07/2019

**Subject:** Disposal of land at Parkwood Springs to enable development as an outdoor leisure destination

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 type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? Finance		
Which Scrutiny and Policy Development Committee does this relate to? Economic and Environmental Wellbeing Scrutiny and Policy Development Committee		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? 580		
Does the report contain confidential or exempt information?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"Appendix A is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

**Purpose of Report:**

The report seeks authority to enter into an Agreement for Lease with Extreme Destinations Limited for Sheffield City Council's land interests at the former Parkwood Springs ski village and adjoining land, to enable redevelopment of this prominent and derelict site as an outdoor leisure destination.

**Recommendations:**

- 1) That the Chief Property Officer, in consultation with the Executive Director of Resources, be authorised to agree terms for the disposal of the Land, including any reasonable variations to the boundaries as required and that the Director of Legal and Governance be authorised to complete all necessary legal documentation and notices in order to complete the disposal, subject to no objections being received to the open space notice.
- 2) That Cabinet declare the hatched land identified at Appendix C as surplus to requirements.

**Background Papers:**

None

<b>Lead Officer to complete:-</b>	
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: Paul Schofield
	Legal: David Sellars & David Hollis Equalities: Annemarie Johnston
<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	<b>EMT member who approved submission:</b> Laraine Manley
3	<b>Cabinet Member consulted:</b> Olivia Blake
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.
	<b>Lead Officer Name:</b> Steve Birch
	<b>Job Title:</b> Principal Development Officer
<b>Date:</b> 20/06/2019	

## 1. BACKGROUND

- 1.1 The former Sheffield Ski Village is located at Parkwood Springs, 1.5 miles north of the city centre. The site is bordered by Council-owned land to the east and Viridor's former landfill site to the North (See Plan A). Nearby established communities at Shirecliffe and Burngreave are only a short walk away, as are new and emerging neighbourhoods at Kelham Island and Neepsend.
- 1.2 Sheffield City Council owns the freehold of the former Ski Village site, however following several years of neglect, arson, anti-social behaviour and vandalism under previous private leasehold ownership, the Ski Village site is now in extremely poor condition, over-run by redundant remains from the former facility, overgrown vegetation and invasive species as well as out-dated site infrastructure. With an area of approximately 21 hectares, current management, maintenance and holding costs to the Council are in the region of £30,000 per year. The site is difficult to secure and manage in its current state given the size and there are potential risks to trespassers on the site from its previous use and current state.
- 1.3 The land is now in need of significant clearance and reclamation, servicing and preparation to make it suitable for re-use. Given its highly prominent location on the hillside visible from the city centre as well as neighbourhoods such as Crookes, Walkley and Hillsborough, the site acts as a continuous and depressing reminder of the failure of the former facility as well as the need for the Council to bring forward redevelopment of the site for the benefit of the people of Sheffield. Without commercial redevelopment the Council will face substantial costs at a future point to address the poor state of its land and will continue to have to manage the site on an ongoing basis.
- 1.4 The land adjacent to the former ski village has previously been operated as an open landfill site which exacerbates the issues and compromises redevelopment of the site for a range of uses such as residential and commercial development.
- 1.5 Given the poor quality of the environment, and the need for regeneration of the former ski village and surrounding land, the Council has recently produced a new draft masterplan for the wider Parkwood Springs area. The masterplan sets out a long term vision for a 'country park in the city', building on the views of local stakeholders and the community. Delivery of this vision requires a phased approach to develop the funding and delivery mechanisms required to realise the local ambitions.
- 1.6 A key component of the masterplan is development of the former ski village site as a pay to play leisure destination (the focus of this report). This ambition builds on a market assessment undertaken in 2015 to

assess options for redevelopment of the former ski village site. The assessment identified that there was an opportunity to develop a modern outdoor pay-to-play sport and leisure attraction for the site, which could aspire to be a tourist destination of regional significance.

- 1.7 Accordingly, in 2017 the Council led a market competition for a development partner to bring the site back into a positive use. This exercise was unambiguously based on the principles that the Council would not subsidise or operate the leisure facility, although access to City Region infrastructure funding for capital works might be available: instead, the Council offered to make its land available via a long lease in return for a private sector developer and operator taking all commercial and development risk.
- 1.8 As a result of this competition, Extreme Destinations Limited were selected based on their proposal for a modern ski slope, mountain biking trails, a hub building and visitor accommodation (land bordered blue on the plan at Appendix B), as well as the strength of their sports brand and marketing expertise. They are also in advanced talks with a major international sports operator who is seeking to open a venue in Sheffield. If secured, this will be fundamental to ensuring that the development is a success and has the potential to cement the facility's position as a regional, if not national, destination offer.
- 1.9 Heads of Terms for a lease were agreed between the Council and Extreme in May 2018. Negotiations have progressed and it is intended to enter into an Agreement for Lease (AfL) prior to entering into the lease itself in order to give Extreme the security required to continue to invest in activities supporting the planning application as well as seeking funding for the scheme.
- 1.10 Entering into the AfL is a critical milestone that will enable Extreme to accelerate delivery of this important project and allow the Council to deliver on a project which will not only kick start delivery against the wider vision set out in the Masterplan, but potentially act as the 'jewel in the crown' of the Outdoor City Economic Strategy.
- 1.11 If the Council do not agree to enter into the AfL, Extreme will withdraw their interest in the site, leaving the Council with no clear route to bring the site forward and critically leaving the site disused to deteriorate further. In addition to the resulting reputational damage, the Council would also incur ongoing vacant management costs to secure the site and address the frequent anti-social behaviour which is attracted to the area.
- 1.12 This report therefore now seeks authority to enter into the AfL

## 2. **PROPOSAL**

- 2.1 The Council's Outdoor City Economic Strategy states the following

vision: “Sheffield: The Outdoor City will be internationally renowned for its unique people, places and outdoor offer”. It also defines a mission “To grow the brand ‘The Outdoor City’ by investing in places that appeal and attract, aligned with supporting infrastructure that enables residents, businesses and visitors to have easy access to high quality outdoor recreation experiences”. Within this context, Sheffield City Council has identified Parkwood as the city’s most significant potential outdoor recreational hub sites. It is a hugely important site in its own right and an opportunity to help further cement the Outdoor City identity and deliver associated economic benefits such as over £30m increased investment, over 400 new jobs and in the region of 1,000,000 additional visitors to the city every year.

2.2 Extreme and its partners are proposing a high quality sport and leisure destination. In addition to the specialist activities, the site will offer cafes, bars and restaurants, with onsite visitor accommodation planned in future phases. It will represent a unique asset for the city, the region, but critically also for local neighbourhoods such as Shirecliffe and Burngreave. The attraction has the potential to literally put these areas on the map, at the same time as making the connections with the emerging city centre districts at Kelham Island and Neepsend.

2.3 The boundary plan at Appendix B has been amended in relation to the original redline plan of the market competition in 2017. It does this in two main ways:

1. It extends to the north to incorporate Council freehold land which had previously been leased to Viridor within their landfill site boundary. This provides additional space for the sport and leisure facilities that will be located on the site; it ensures that public rights of way and other pathways required to be installed by Viridor as part of their planning application and remediation of the landfill site can be designed to allow permeable access from the leisure attraction to the wider country park, and vice versa; and it establishes a mechanism for delivering and maintaining in the long term enhanced open space and landscaping;
2. It extends to the east beyond the original ski village area to incorporate additional Council-owned land to enable more sustainable redevelopment of the site and create opportunities to deliver new and enhanced facilities at the top of the park where the views into the city and out to the Peak District are most prominent.

2.4 These alterations offer a real and tangible delivery mechanism through which to realise some of the local community’s wider aspirations for the country park:

- It enables integration of the development into the wider country park, improving the setting of the development, enhancing public access and enabling greater permeability throughout the site;

- It enables the site to incorporate a specific element of the development which will be delivered by a major international outdoor leisure operator in addition to the proposals put forward by Extreme as part of the original marketing exercise. If secured, this will significantly enhance the viability and deliverability of the scheme. Critically, this element represents a massive economic opportunity for Sheffield that can more than justify the additional land take and with careful landscaping and active community engagement could provide opportunities to ensure access and wider aspirations of local communities and stakeholders are enhanced;
- It ensures contiguous site ownership and enhances future management of the site. Leaving a strip of SCC owned land between Viridor freehold and Extreme leased land could create future management complexities.

2.5 The Council and Extreme have engaged over some considerable time with local stakeholders to gain an insight into the area and their aspirations for it. At the same time as supporting the vision for the site and the potential benefits for the wider city, they have articulated the need for sympathetic design to mitigate the potential impact of the development on the natural setting of the country park and important elements which they are most concerned about such as ecology, public rights of way and viewing points.

2.6 Initial design ideas demonstrate a strategy for overall betterment at Parkwood Springs, for example:

- Possibility of any ridgetop development providing new facilities for visitors to the top of Parkwood Springs, e.g. café/refreshments, changing facilities for local sports teams;
- Opportunities for any footpaths which may need to be diverted to retain the existing ridgeway aspect through the leisure site;
- Potential extension for new purpose-built viewing points to be created to capitalise on the very best vistas;
- Opportunities to explore good design, ecological diversity, sensitive landscaping and natural screening as part of the design and development process which gives consideration to the wider vision for a country park in the city.

2.7 Whilst clearly at a very early stage, and with much work to do in the way of design and cost development, the Council and Extreme are committed to working with interested parties to ensure that impacts are minimised, mitigated and compensated for as far as possible, and for positive benefits to be maximised as far as possible, through meaningful consultation and good design. Extreme have already undertaken initial site surveys and highway feasibility work. On completion of the AfL, Extreme will carry out further more detailed surveys and enter into formal pre-application discussions in preparation for a planning application: this is expected to be submitted in the

second half of 2019 with a view to construction works on site beginning in early 2020.

- 2.8 As detailed design is yet to be undertaken and there are a number of risks to ensuring satisfactory delivery, the AfL and lease have been drafted to ensure that Extreme are held to tight delivery timescales to ensure progress is made on this important and prominent development. Should Extreme fail to meet their obligations as developer, the Council can regain control and pursue alternative options for the site. The Lease will only be signed if the milestones set out in the AfL and development obligations have been met.

### **3. HOW DOES THIS DECISION CONTRIBUTE?**

- 3.1 Strong economy – By bringing brownfield land back into use for the development of a brand new leisure facility, attracting national and international brand partners and creating hundreds of new jobs, the project will support the policies to: attract investment across the city and support businesses to start and to grow; create jobs (with an emphasis on residents in nearby deprived communities); attract more visitors to Sheffield, by increasing the city's vibrancy and raising the city's profile; attract individuals and businesses to Sheffield as the UK's top Outdoor City.
- 3.2 Better health and wellbeing – By bringing a new and unique leisure attraction into the city, improved access to and participation in active sport will help the Council to deliver its policies to: promote good health and help people achieve a greater level of wellbeing including improving mental and emotional wellbeing and reducing loneliness and isolation.
- 3.3 Thriving neighbourhoods and communities – By converting derelict low quality land into a national standard sporting venue, the project will improve the image and perception of the city and more directly those adjoining neighbourhoods which suffer from the stigma of deprivation, offering members of the community new positive activities in line with Council policies to: encourage people to have a good quality of life and feel proud of where they live, with increased access to local amenities and facilities including high quality parks and green spaces.
- 3.4 Tackling inequalities – Located centrally between a wide diversity of national and cultural communities and neighbourhoods, many of which suffer from the effects of longstanding deprivation which impacts particularly on the life choices available to young people, this project provides new ways to bring people of different backgrounds together through new sport and employment opportunities, supporting Council policies to: make it easier to overcome obstacles by investing in the most deprived communities and supporting individuals to help themselves and achieve their full potential .

**4. HAS THERE BEEN ANY CONSULTATION?**

4.1 Extreme and Council officers have worked together to develop networks and contacts to build awareness and obtain early buy-in to the principles of the development including:

- Local community groups including the Friends of Parkwood Springs, Friends of Wardsend Cemetery and Kelham Island and Neepsend Community Alliance – supported to establish themselves in some cases, and by hosting and attending ongoing public meetings;
- Wider Sheffield population – through a public exhibition on the wider Parkwood Springs country park masterplan.

4.2 Engagement with local stakeholders has demonstrated some significant support for the principles of the scheme, however acknowledging the early stage of design progress, a range of comments have been raised as summarised below for ongoing consideration. These have been, and will continue to be, critical elements of the detailed design progresses

	<b>Stakeholder Priorities</b>	<b>Potential response</b>
<b>Wildlife</b>	Loss of trees habitats and overall greenspace, promotion of ecology and creation of habitat corridors including wetland(s), Acid grassland and heath which allow passage of species through the site;	Ongoing consultation with Viridor and local stakeholders to support the former’s works to hand leasehold land back to the Council and discharge its’ planning conditions. Initial ecological and tree surveys undertaken on the leisure destination site, detailed appraisals to follow. Impacts to be mitigated and opportunities maximised via good design of landscape through the facility as per planning submission and sympathetic to the country park setting.
<b>Permeable access around and through site</b>	Including preservation and enhancement of the ridgeway walk above the development site, as well as routes through the site and connections with routes in the wider	Ongoing consultation with Viridor and local stakeholders to support the former’s works to hand leasehold land back to the Council and discharge its’ planning conditions.



	country park which connect people and places between the north, south, east and west;	Opportunities maximised via good design, giving consideration to security solutions which minimise fencing, etc, around and through the site, and taking account of the vision and plans for the wider country park, e.g. permeable boundaries and possibilities for bridges, tunnels, balconies/terraces to preserve complete routes, as per planning submission.
<b>Views</b>	Capitalising upon the best views from the site to the city and out to the Peak District;	Ongoing consultation with local stakeholders with a view to maximising opportunities via good design e.g. identifying key vistas, considering viewing galleries, potential locations for orientation plans/maps and telescopes.
<b>Amenities</b>	Impact on existing free mountain biking trails and other features;	Ongoing consultation with SCC Parks Service and local stakeholders regarding potential to mitigate impact through good design, e.g. incorporation into new leisure destination masterplan, replacement or alternative compensation measures.
<b>Wider benefits</b>	Maximising overall benefit and betterment from the development to the wider country park;	Ongoing consultation with SCC Parks Service and local stakeholders regarding potential for mitigation and alternative betterment to be developed through the design and development process, taking account of the vision and plans for the wider country park, e.g. local

		suggestions of café and sports club changing facilities.
<b>Being involved in making it happen</b>	Supporting efforts to bring improvements forward as quickly as possible, by being involved in the detail.	The Council and Extreme are committed to meaningful engagement with stakeholders from the earliest stages, and this has begun already. Greater opportunity will be available as design development work begins towards a planning submission.

4.3 Upon completion of the AfL, and as Extreme then accelerate the pace of progress in relation to the site design and planning application processes, stakeholders will be engaged in further detail to allow them to feed into the scheme and build local buy in and ownership.

## 5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

### 5.1 Equality of Opportunity Implications

5.1.1 An Equality Impact Assessment has been undertaken for the redevelopment of Parkwood Springs Leisure Destination: no negative equality impacts have been identified.

5.1.2 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.

5.1.3 As the Leisure Destination development progresses there will be further opportunities for stakeholders and the public to be engaged and to make comments through the statutory planning process.

5.1.4 Ease of pedestrian access throughout the scheme is of paramount importance, clearly within the site but also connecting to the surrounding parkland which is the subject of a wider masterplan developed by the Council's Planners. Pedestrian and cycle routes will require careful design, including integration of chairlifts, ramps, stairs and pathways for all users as appropriate.

### 5.2 Financial and Commercial Implications

- 5.2.1 There are no direct financial implications following from the decision to grant the agreement for lease. The cost of the work required to execute this agreement should not have an impact on the Council's General Fund.
- 5.2.2 There are wider financial implications should this decision lead to the development of the proposed scheme which, along with a summary of due diligence findings and other confidential information relevant to this decision, are provided at Appendix A.
- 5.3 Legal Implications
- 5.3.1 The Council has the power to dispose of the Land for the best consideration that can be reasonably obtained under section 123 of the Local Government Act 1972. This is interpreted as the best price achievable in the open market.
- 5.3.2 The Council has satisfied the obligation to achieve best consideration by carrying out a competitive marketing exercise, in accordance with its Disposal Policy, and selecting a preferred bidder from offers received as a result of the marketing exercise. In addition a valuation exercise has been undertaken by the Council which by capitalising the projected ground rents provided by Extreme and allowing for the netting off of any costs incurred to remediate the site shows that the Council will achieve the best price available on the open market.
- 5.3.3 The land shown as hatched at Appendix C falls within the development's boundary and is wholly owned by the Council. It is held within Transport & Planning and Estates services, and is required to be formally declared surplus in order for it to be appropriated to the Parks committee as open space to facilitate the redevelopment scheme and wider park improvements.
- 5.3.4 Section 123(2A) of the Local Government Act 1972 provides that no disposal of Open Space Land can take place until notice of the intention to dispose has been advertised for two consecutive weeks in a local newspaper and any objections have been considered.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 Do nothing – Council retain site
- Nil impact on Council's resource capacity to deliver redevelopment.
  - Fails to deliver on the Council's Outdoor City Economic Strategy.
  - Leaves a prominent strategic site derelict and unviable for redevelopment by the market, whilst at the same time vulnerable to continued anti-social behaviour, vandalism and arson, with an ongoing maintenance cost and liability to the Council in the long

term.

- Does not assist the Council any further to market the site anew if current development partnership was not successful.

6.2 Council carries out improvement/infrastructure works and then re-markets the site

- The Council could seek to enhance the value of the land and deliverability/viability by carrying out improvement/infrastructure works prior to release/disposal (such as works to the access road and improvements to drainage) before re-marketing the site.
- There is no certainty of securing a developer to deliver the economic aspirations and outcomes expected from the site or guarantee that a significantly improved market rate will be achieved.

6.3 Council retains the site and undertakes the development itself

- The Council could develop, and operate or seek an operator for a leisure destination.
- This approach would require significant resource and funding and, as set out above, the viability and risk associated with developments of this nature can be marginal.
- At this point in time this approach would expose the Council to undue commercial and financial risk

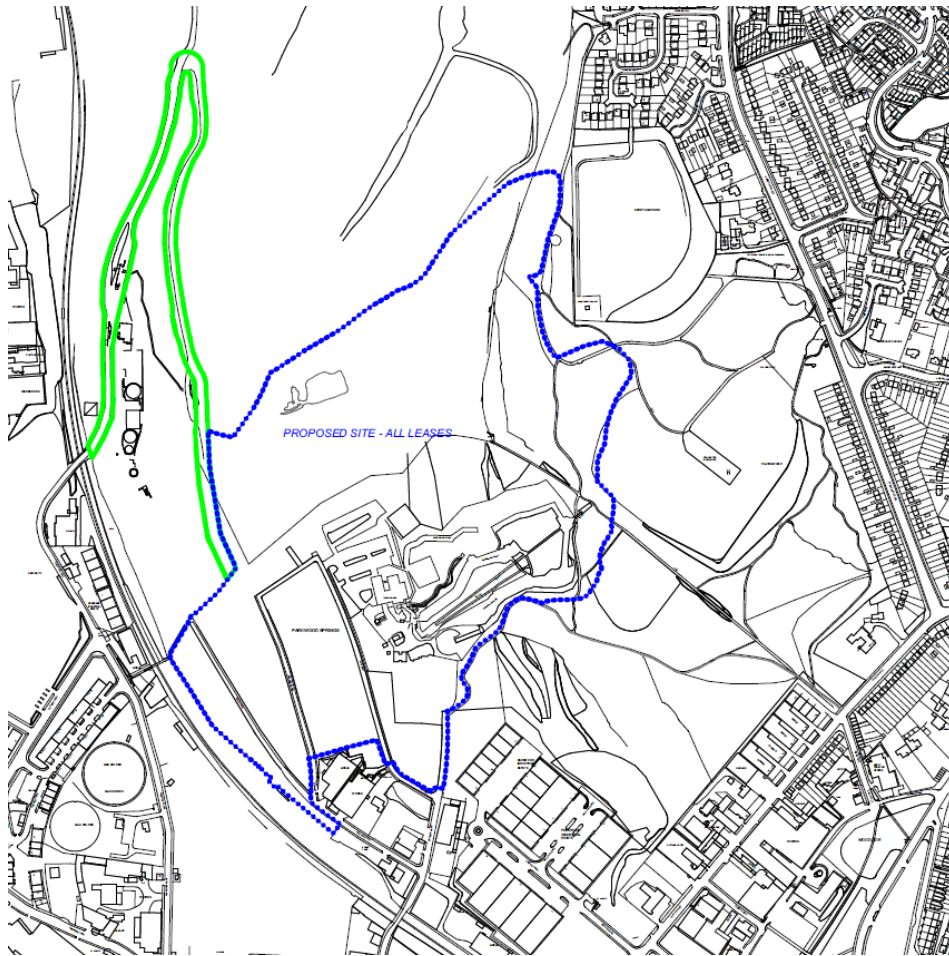
## 7. REASONS FOR RECOMMENDATIONS

7.1 Preferred option – Proceed with the AfL with Extreme Leisure Destinations

This approach passes the commercial and financial risk of the development and design work to the developer. Safeguards are built into the AfL to commit the developer to timely delivery and ensure the Council retains control should the developer fail to make significant progress.

Entering into the AfL with Extreme will enable detailed work to begin on development of the scheme whilst protecting the Council's interests. This represents an important step in realising the vision set out in the Parkwood Masterplan and achieving the benefits for local communities and the people of Sheffield. The AfL enables SCC to pass commercial risk to the developer through a traditional landowner-developer relationship, with principal risks managed by Extreme.

Appendix B – site boundary



Appendix C – SCC land to be declared surplus in order for it to be appropriated to the Parks committee as open space

