



**Author/Lead Officer of Report:** Alan Seasman,  
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**Report of:** Mick Crofts, Executive Director Place  
**Report to:** Leader of the Council  
**Date of Decision:** 08/03/2021  
**Subject:** Provision of Access Road and Car Park to Parkwood Springs

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 type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, what EIA reference number has it been given?				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" 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:-				

**Purpose of Report:**

The report seeks authority for the Council to design and construct the access road and car park to Sheffield City Council's land interests at the former Parkwood Springs ski village and adjoining land, to enable redevelopment and continued access to the proposed outdoor leisure use; to approve a feasibility budget, to accept a grant from the City region for the construction of the road, car park and associated infrastructure and to secure authority to negotiate and amend if necessary all existing legal agreements relating to the Parkwood Springs redevelopment and enter into other legal agreements with adjoining landowners and others as required to construct the access and car park.

## **Recommendations:**

It is recommended that the Leader of the Council:

- 1) Approves a £300k feasibility budget to be funded from an existing Sheffield City Region ("SCR") loan. If the Council are successful in being awarded an up to £6m grant from SCR, which is currently being applied for, it is expected that the loan will be accounted for from the SCR grant. In the event of the scheme not proceeding and the SCR loan and or grant funding having to be repaid then the £300k to be covered from CIF revenue.
- 2) Confirms their support to and endorses the Council's bid for up to £6m of grant funding from SCR for this project and in principle agrees to the Council accepting the funding should the Council be successful subject to the grant terms being received and agreed by the delegated officers.
- 3) Delegates authority to the Executive Director of Place in consultation with the Director of Legal and Governance and the Director of Finance and Commercial Services to accept the grant of up to £6m from Sheffield City Region and to enter into a grant agreement should the Council be successful.
- 4) Subject to the £6m grant from SCR being accepted - authorise the inclusion of a £6m budget into the capital programme for the delivery of the access road and car park scheme.
- 5) Approves the procurement strategy to enable the design work to be progressed via the Capital Delivery Partner Framework and appointment of a contractor through the YorCivil framework via rotation on a two-stage basis.
- 6) Delegates authority to the Director of Finance and Commercial Services and the Director of Legal and Governance or duly delegated officer to award the contract.
- 7) Delegates authority to the Chief Property Officer and Director of Legal and Governance to negotiate terms for agreements required with landowners to enable the construction and use of the road and car park for the benefit of the project 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 required.
- 8) Delegates authority to the Chief Property Officer and Director of Legal and Governance to negotiate terms for a variation to the existing Agreement for Lease and Lease with Extreme to reflect the construction of the road and car park by SCC 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 required.
- 9) To the extent not already delegated to them by the Leader's Scheme of Delegation, delegates authority to the Executive Director of Place, in consultation with the Director of Legal Services and the Director of Finance

and Commercial Services, to take any other decisions necessary in order to meet the aims and objectives of the report.

### Background Papers:

Report July 2019 - Disposal of Lease for Parkwood Springs Leisure Destination

Report March 2020 - Parkwood Springs Leisure Destination - Proposed Appropriation of Land For Planning Purposes

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: Mark Wassell
	Legal: David Sellars / Gemma Day
Equalities:	
<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> Mick Crofts
3	<b>Cabinet Member consulted:</b> Cllr Bob Johnson, Cllr Terry Fox, Cllr Mazhar IqBal
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> Alan Seasman
	<b>Job Title:</b> Service Manager City Regeneration and Major Projects
<b>Date:</b> 24/02/2021	

## 1. PROPOSAL

### 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 now owns the unencumbered freehold of the former Ski Village site, however following several years of neglect, anti-social behaviour and vandalism while out of the Council's direct control, 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.
- 1.3 In 2017 the Council led an open market competition for a development partner to bring the site back into a positive use 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.
- 1.4 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 were also in advanced talks with a major international sports operator who is seeking to open a venue in Sheffield.
- 1.5 Heads of Terms for a lease were agreed between the Council and Extreme in May 2018 and Cabinet subsequently approved the entering into an Agreement for Lease (AfL) on 17/07/2019. The AFL is a conditional agreement between the Council and Extreme by which the Council agrees to in the future grant a lease of the site to Extreme on agreed terms if Extreme in turn satisfies certain conditions of the AFL. As some of those conditions would require Extreme to invest money into the site the AFL provides the necessary security to ensure that as long as the AFL is complied with a lease will be granted.
- 1.6 Entering into the AfL was intended to 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.

### **Next Steps**

- 1.7 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.
- 1.8 The AfL provided for detailed design to be undertaken by Extreme and set out delivery timescales to ensure progress was made on this important and prominent development. However, Extreme have failed to make significant progress on the design of the access road which is crucial to unlocking the site and its development potential and the delivery timescales are now at risk.
- 1.9 On-going discussion between the Council and Extreme have concluded that to make sufficient progress with the design and build of the access road it is now necessary for the Council to step in and procure design and construction on this element of the scheme.
- 1.10 To help the delivery of the proposed scheme, the Council secured loan funding from Sheffield City Region to support the construction of an access road and car park and to help deal with other infrastructure issues. However, the Council have subsequently, via the Get Britain Building Fund, applied for up to £6m of grant funding from Sheffield City Region to construct the access road, car park and infrastructure
- 1.11 Work is required to be done upfront before being able to secure the grant funding which requires the Council to engage with consultants and contractors to provide greater certainty on the design and construction timetable of the road that can then be used to inform a full business case submission to SCR.
- 1.12 It was envisaged that work would be starting on the development in early 2020. For funding deadlines to now be met, the report recommends that the Council will directly procure via the Capital Delivery Framework the required design work whilst simultaneously appointing a suitable contractor through the YorCivlis framework. In this way the design and construction of the road can still be achieved

in line with the timescales required of the Get Britain Building Fund.

- 1.13 In advance of the receipt of grant of £6m from the Get Britain Building Fund, approval of £300k from the already secured SCR loan fund is requested to fund the design and feasibility work for the construction of the road. Whilst it is expected this expenditure will be covered by the SCR £6m grant when issued, in the event of the scheme not proceeding and SCR funding having to be repaid then it is also requested that £300k to be covered from CIF revenue.
- 1.14 The construction of the access requires the route to also cross adjoining land and secure access across a bridge owned by Network Rail. Preliminary discussions have taken place with the landowner and network rail but detailed negotiation on legal agreements, potential warranties and indemnities still need to be negotiated. These can only be discussed once more detail on the design and construction of the road is more developed.
- 1.15 As a consequence of the Council taking on the direct delivery of the access road and associated infrastructure the current Agreement for Lease with Extreme will need to be amended to reflect the new arrangements. Delegated authority is therefore sought for the Chief Property Officer with the Director of Legal and Governance to negotiate terms for a variation to the existing Agreement for Lease with Extreme to reflect the construction of the road by the Council 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.

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

- 2.1 Strong economy – Construction of the access road can facilitate the development of brownfield land and support new jobs, attract investment, and attract more visitors to Sheffield.
- 2.2 Better health and wellbeing – the access road is key to improved access to and participation in active sport and Parkwood as a new Country park. It 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.
- 2.3 Thriving neighbourhoods and communities – The access road is the first step in delivering development that 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.

2.4 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 .

### **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 No specific consultation on the access road has taken place. However, the previous proposals by Extreme have been widely consulted on with Friends groups and local community groups and does not stray from those proposals. In addition, the provision of the access road will be subject to its own planning application offering a future opportunity for further consultation. The Council and Extreme are committed to undertaking ongoing consultation with the local community as plans and proposals emerge.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### 4.1 Equality of Opportunity Implications

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

4.1.2 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.

4.1.3 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.

#### 4.2 Financial and Commercial Implications

##### **4.2.1 SCR: Getting Building Fund (£6m)**

Key features (not exclusive) of the draft Funding Agreement are summarised as follows. The Grant Manager will need to read, understand and comply with all of the grant terms and conditions and ensured that there are no unfunded, ongoing costs when the project is complete.

- The Project must achieve the identified Project Outputs/ Outcomes and Targets in the required timescales.
- Grant only for Eligible Costs as per terms/conditions and cannot be used for any other purpose without funder approval.
- Only qualifying expenditure defrayed from the Commencement Date to the Completion Date is eligible to claim.

#### 4.2.2 **Match Funding**

- SCC must notify the funder if applying for project match funding. Grant is conditional upon match funding letters being provided to the funder in advance of submitting an approved claim form.
- SCC must neither apply for nor accept:
  - Duplicate funding for any part of the Project that SCR is funding in full
  - Any funding for Eligible Costs which would result in a breach of any threshold for funding the Eligible Costs set out in the Subsidy Rules.

#### 4.2.3 **General**

- SCC's own internal costs for project administration cannot be claimed
- SCC to notify SCR if the Grant is not to be claimed by 31/12 in any Financial Year.
- SCC shall not make significant project changes without SCR approval
- Milestones to be monitored and if not met funding may be withdrawn
- Submission of acceptable subsidy opinion is required.
- SCC to procure commencement of works within 90 days of the date of the Agreement and procure Practical Completion of the same by the Completion Date.
- Procure that all Project Outputs are achieved by the Completion Date
- Procure that all the Project Outcomes are complete by the Clawback Review Date.
- SCC to use/maintain operationally the Project Outputs for 10 years from the Completion Date.
- SCC to provide independent audit confirming Project Outputs continue to be maintained.
- Any grant allocation for a Financial Year is only available for that Financial Year and any unclaimed grant can only be carried over with funder approval.
- Retention monies of up to 5% will be held until project completion
- Maintain the required project records for at least ten years after the end of the financial Year in which the last payment is made (see Funding Agreement for details)
- Each Financial Year a statement of grant expenditure must be completed/certified by the Chief Financial Officer as part of the quarterly claims and returns process.

- The grant is subject to external audit
- Comply with monitoring/reporting requirements and timetables.
- SCC to ensure economy in all Qualifying Expenditure and excessive costs may not be funded.
- Payment of funding for any Financial Year after the first is subject to the funder being satisfied with the Project performance.
- Grant is for capital expenditure and to be treated as funded by a capital receipt to reflect section 25(1)(b) of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
- The grant is outside the scope of VAT but if any VAT is due the Grant shall be deemed to be inclusive of all VAT

#### 4.2.4 **Grant Clawback**

Grant may be reduced, suspended or withheld in a number of circumstances (not exclusive):

- A Change to the Project without the prior written approval
- Works not commenced within 3 months of this Agreement
- Grant not used for the purpose given.
- Not making satisfactory progress on Project delivery
- Failure to keep /maintain the records specified
- Obtaining duplicate funding for the Project

#### 4.2.5 **Subsidy Rules**

Grant is subject to/not prohibited by the Subsidy Rules and either:

- The Grant complies with the Principles; or
- It has received less than 325,000 IMF Special drawing rights in subsidies (including the Grant) over a 3 year period preceding the date of the Funding Agreement.
- SCC shall: comply with the Subsidy Rules; ensure all requirements of the Subsidy Rules /Principles are met for the Project; confirm that all requirements of the Subsidy Rules / Principles are met for the Project.
- SCC shall not do anything that breaches the Subsidy Rules.
- All Project records to be retained for six years after the Closure Date
- Records to be kept as originals or certified true copies of the originals or as electronic versions.

**\*It should be noted that at this point in time SCC does not have a finalised Grant Funding Agreement for the project and so for the purposes of this report a draft version of a similar SCR / GBF grant agreement has been used and this may be subject to change. When a finalised grant agreement is issued both Legal and Finance will need to review and approve this prior to any acceptance,**

#### 4.2.6 **SCR Loan for Feasibility Funding (££0.3m)**

SCC has previously approved acceptance of a loan from SCR and this source of funding will initially be used to fund the £300k feasibility budget and it is expected that this funding will eventually be accounted for from the SCR £6m grant when issued/approved. In the event of the scheme not proceeding and SCR loan funding having to be repaid then the £300k is to be covered from CIF revenue.

#### 4.3 Legal Implications

##### Property

4.3.1 The creation of the road over other parties land will require the Council to acquire land from third parties. Section 120 of the Local Government Act 1972 allows local authorities by agreement to acquire land for any of its functions or the benefit improvement or development of its area.

4.3.2 Notwithstanding the powers conferred by s120 of the Local Government Act 1972 section 1 of the Localism Act 2011 gives the Council as a local authority the ability to do anything that an individual with full capacity may do.

4.3.3 The land on which the access road is to be built is contaminated and currently maintained by Veolia. In acquiring land from them the Council will be required to take over responsibility for the contaminated land acquired and insofar as the access road may affect land retained by Veolia indemnify them against any adverse effects the access road may have.

##### Commercial

4.3.4 The Council entered into a Loan Facility Agreement in March 2019 with Sheffield City Region Combined Authority (SCR). This loan was to support with the infrastructure at Parkwood Springs Ski Village. The loan agreement detailed areas such as the site, project, eligible expenditure, pre-payment and targets. The project detailed within the loan agreement included an access road.

4.3.5 If the Council was successful and a decision was made to accept the grant funding from SCR, then the Council would be required to enter into a grant agreement with SCR.

4.3.6 The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to accept the funding.

- 4.3.7 The terms associated with the grant funding have not yet been provided to the Council, once these are received these should be passed to legal to review.
- 4.3.8 Key elements from a previous Sheffield City Region grant funding agreement were around the grant only being used for the purpose in the grant agreement, clawback, subsidy control. It also contained special conditions which were specific to the individual project.
- 4.3.9 To enable the design work to be progressed the Council will be required to enter into a contract with a contractor following a compliant procurement exercise via the YORcivil framework.
- 4.3.10 All applicable legislation must be complied with including but not limited to UK GDPR, Data Protection Act 2018, Procurement Regulations 2015, Subsidy Control as well as the Council's Contracts Standing Orders and Constitution.

## 5. ALTERNATIVE OPTIONS CONSIDERED

### 5.1 Option 1 - Do nothing and allow Extreme to continue to work up design and construction

- As matters stand the terms of the AFL would either need to re-negotiated or brought to an end. This may have the consequential risk of losing the associated international leisure operator and their investment potential.
- Timescale is outside that required by funding bodies.
- Time taken will mean that the project will become undeliverable.
- 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.

### 5.2 Option 2 - Council carries out construction of the access road and associated infrastructure works

- Meets the timetable for external funding
- Secures access to the Country Park
- Secures best opportunity of attracting external investment to Parkwood
- Secure Access and enhances deliverability and viability of a previously blighted site, Should the investment by Extreme not proceed the site will be much more attractive to potential investors

5.3 Option 3 - Terminate the AfL and re-market the site - Council doesn't take on the provision of the access road

- The project will not proceed, and the Council would need to reevaluate the future of the site whilst continuing to incur on-going management costs.
- Unlikely that investment could be attracted without the ability to fund or provide the access required.

**6. REASONS FOR RECOMMENDATIONS**

6.1 Preferred option – Option 2 - Council carries out construction of the access road and associated infrastructure works

This approach provides for the most achievable route to securing the future of the Parkwood site as it:

- Meets the timetable for external funding.
- Secures access to the Country Park.
- Secures best opportunity of attracting external investment to Parkwood.
- Secure access and enhances deliverability and viability of a previously blighted site, should the investment by Extreme not proceed the site will be much more attractive to potential investors

6.2 It is unlikely that the funding available is likely to be made available again at a future date and as such meeting the timetable of this fund requires the Council to take control and make the progress required for the design and construction of the access and associated infrastructure.

Appendix A – site boundary

