



Author/Lead Officer of Report: Neil Jones,
Regeneration and Property Services

Tel: 2735539

Report of: Mick Crofts
Report to: Cabinet
Date of Decision: 23rd June 2021
Subject: Sheffield Olympic Legacy Park: Proposed lease for Canon Park Community Arena

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
- Expenditure and/or savings over £500,000	<input type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	

Which Executive Member Portfolio does this relate to? Finance & Resources

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 <input type="checkbox"/>
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If YES, what EIA reference number has it been given? 952

Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Report in Part 2 will include confidential information in respect of the terms of the disposal

Purpose of Report:

To seek approval to the City Council entering into an agreement for lease and lease to deliver a new research and sports facility at the Sheffield Olympic Legacy Park on the terms outlined within the report.

Recommendations:

- 1 That Cabinet approve the proposals set out in this report and the terms of the proposed agreement.
- 2 That Cabinet delegate authority to the Executive Director Place in consultation with the Executive Director Resources and the Director of Legal and Governance and Chief Property Officer to finalise, agree and execute the terms of the agreement and the terms of any other documentation required to give effect to the proposals set out in this report and generally to protect the Council's interests.

Background Papers:

Report to Cabinet 17th July 2019 and earlier papers referred to in that report

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: Liz Gough
	Legal: Richard Gibbon
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	EMT member who approved submission: Mick Crofts
3	Executive Member consulted: Terry Fox
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: Neil Jones
	Job Title: Partnership Team Manager, City Regeneration and Property
Date: 23 rd June 2021	

1.0 BACKGROUND

1.1 In recent years the site of the former Don Valley stadium has been transformed. The Sheffield Olympic Legacy Park (SOLP) now represents one of the most exciting regeneration projects in the city region; delivering a tangible legacy from the London 2012 Olympic Games by promoting an integrated approach to health, wellbeing and sport to a local, national and international audience via a combination of education, research, community participation and professional sports

1.2 A report to Cabinet in July 2019 approved continuing the delivery arrangements whereby a special purpose vehicle, Legacy Park Ltd (LPL), chaired by Richard Caborn and with representatives of the main public sector partners on the SOLP, has responsibility for delivery of the SOLP vision in close consultation with the Council as landowners.

1.3 The Cabinet report also authorised Council officers to negotiate with the private sector developers Scarborough International Properties Ltd (SIPL) in respect of an overarching development agreement for the commercial development plots on SOLP. That development agreement was entered into in December 2020 and SIPL are currently finalising a masterplan and will be bringing forward a planning application for the first phase in the near future. SIPL are also now on site constructing the SOLP Community Stadium under the terms of an earlier agreement and lease.

1.4 The 2019 report also referred to land on the SOLP site that had been earmarked for development by Park Community Arena Ltd (PCA) which was to be home to Sheffield Sharks basketball team, but at that time had failed to progress in line with original and revised timetables. It was agreed that the future of that site be actively reconsidered by the LPL Board and this plot was therefore being included in the initial SIPL masterplan.

1.5 However, during late summer 2020 it emerged that PCA had agreed revised delivery proposals with Canon Medical Systems Ltd (Canon) whereby Canon would bring forward and own the Canon Medical Park Community Arena (CMPCA), including a new research centre and diagnostic health facilities with the sports and community elements to be operated by PCA under a sub-lease.

1.6 The SIPL agreement allows the Council to retain a proportion of sites on the SOLP for other facilities where these are agreed to be of strategic benefit and in line with the SOLP vision. SIPL have been consulted and agreed that the CMPCA site should be designated as such as it will contribute to developing a critical mass at the SOLP and grow its national/international reputation in health and sports science. Terms have therefore been negotiated with Canon for an agreement for lease and lease as set out in this report, with the detailed terms set out in a report in Part 2 of this Cabinet agenda.

2. PROPOSAL

2.1 Canon Medical Systems Ltd are a global company with head offices and most manufacturing based in Japan, but with multiple research & development hubs around the world including nearly 200 people at their research hub in Edinburgh (Canon Medical Research Europe – CMRE). In 2019 CMRE were awarded a grant by Innovate UK to research Artificial Intelligence for the NHS for accelerated roll out, to bring urgently needed efficiencies in faster and more acute diagnosis supplementing radiologists of whom there is a critical national shortage. Canon aim to help the NHS be the first in the World to benefit from a comprehensive implementation of AI, especially in diagnostics. Canon already have a presence at the Advanced Wellbeing Research Centre on the SOLP and this new project in Sheffield will be key to delivering the above ambitions.

2.2 The CMPCA will house the region’s first Sports Diagnostic Imaging Centre on the SOLP, that will offer affordable and accessible, state-of-the-art MRI, CT, X-Ray and Ultrasound Scanning services to the region’s professional, elite, semi-professional and committed athletes, plus other localised general healthcare services. It is intended that these will be provided in conjunction with the Sheffield Clinical Commissioning Group and NHS providers for the wider community. Innovations developed here in Sheffield will be included in Canon’s systems delivered around the world.

2.3 This will be operated by Living Care Group Ltd under a sub-lease and the facilities will be available to elite performance athletes through to NHS patients. The services will be delivered in line with the NHS Constitution and the Health and Social Care Act and will be alongside the private service provision. This should enable Living Care to operate efficiently for the NHS lists whilst providing services that may not be funded through the NHS or services that are not commissioned to be provided as part of the NHS provision. Private Healthcare would be funded either by the individual or through their health insurance.

2.4 The CMPCA will also provide affordable, high quality and flexible indoor facilities for a broad range of sporting, leisure, entertainment, business, health and education uses. The events which are to be held at the CMPCA will be coordinated so as to expand and complement events held at existing facilities on the SOLP and elsewhere in Sheffield rather than be in competition.

2.5 Terms have been agreed with Canon for a lease at a price that is in line with current open market values. The lease will be in a standard format to match the other leases on the SOLP and ensure that the property is used in accordance with the SOLP Vision. It will also include provisions in respect of promoting and sale of healthy foods and contributing towards the costs of maintaining the public realm at the SOLP through a service charge.

2.6 Planning permission has been approved and it is proposed to enter into an agreement for lease with Canon. The lease will be granted on the satisfaction of conditions, primarily practical completion of the building contract. It is anticipated that

the construction contract will be signed this summer and will take just under 12 months to complete.

3. HOW DOES THIS DECISION CONTRIBUTE?

3.1 Economic

3.1.1 Strong economy – by bringing brownfield land back into use for the development and creating new jobs, SOLP supports the Council's desire to create a fairer, more sustainable local economy where everyone has the chance access to good jobs, training and economic opportunity. The new research facilities to be provided by Canon enhance the activities both at the SOLP and in the wider Advanced Manufacturing Innovation District.

3.1.2 Thriving neighbourhoods and communities – By converting low quality land into international standard community and commercial space with high quality public realm, SOLP has already transformed the image and perception of its immediate surrounding area. The sports and leisure activities at the CMPCA are intended to directly benefit adjoining neighbourhoods which suffer from 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. New jobs will also be created.

3.2 Environmental

3.2.1 The development will be built on brownfield land which has been reclaimed as part of the previous infrastructure works at the SOLP. The site is well served by public transport and active travel is positively being promoted.

3.3 Social

3.3.1 Located between communities which suffer the effects of longstanding deprivation SOLP provides new ways to bring people of different backgrounds together through health and wellbeing 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.

3.3.2 As a venue, the CMPCA will host and promote a range of inclusive projects that will deliver social outcomes for its neighbouring and deprived and diverse communities, including the Canon Medical sponsored Respect Programme and the BBraun B Healthy programme. In addition, it will offer and support a range of research programmes that the Advanced Wellbeing Research Centre and the proposed Centre for Child Health Technology will seek to deliver around improving peoples' health and education through sport and physical activity. The latest AWRC programme involves research into long-Covid impact on residents and Canon are currently working on early mobile implementation of MRI on the SOLP campus for this urgent research project while the new facility is being built.

4. HAS THERE BEEN ANY CONSULTATION?

4.1 The proposals set out within this report relate to a specific site disposal are aimed at accelerating the delivery of the project and as such there has been no formal consultation. However, the principle of comprehensive redevelopment at the SOLP has been the subject of previous public consultations with positive feedback. Community consultation was undertaken as part of the recent CMPCA planning application

4.2 LPL carry out regular community engagement events and online publications.

5. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

5.1 Equality of Opportunity Implications

5.1.1 Sheffield Olympic Legacy Park is intended to promote inclusive economic growth, community engagement and improved health and wellbeing outcomes. The site is surrounded by wards that have high levels of economic deprivation, therefore it is an explicit objective of the project that it will have positive equality implications.

5.1.2 The new diagnostic health services and sports and leisure facilities to be developed at the CMPCA will be intended to be made available to all of the community and should be of real and long lasting benefit to local people.

5.2 Financial and Commercial Implications

5.2.1 Section 123 of the Local Government Act 1972 states that 'a Council should not dispose of land under this section for a consideration less than the best that can be reasonably obtained. Therefore, in order to comply with legislation and best practice it is essential that the procedures for land and property disposals are directed at obtaining the best terms reasonably obtainable. In most cases this requires that all interested parties should be allowed an equal opportunity to put forward a bid to lease or purchase a property avoiding partiality or bias.

5.2.2 However there are circumstances where it may be beneficial for the Council to offer direct negotiations with a special purchaser without resort to marketing. These are set out in the Council's Disposal Framework adopted in 2013 and includes:

- A sitting tenant or other party already having a proprietary interest in land
- A developer with a major investment project
- An adjoining landowner
- A developer offering a public/private partnership with a special focus on the land/property in question
- A developer offering open book terms

The proposals from Canon meets a number of these definitions and a direct negotiation is therefore acceptable and the price which has been negotiated is accordance with current open market values.

5.2.3 The reclamation and infrastructure works on the SOLP were funded through grants from ERDF and SCRIF and were subject to certain provisions regarding uses for the disposal of development plots. The proposed disposal is in accordance with those requirements.

5.2.4 Other than the premium to be paid to the Council there are no other financial implications.

5.3 Legal Implications

5.3.1 Section 1(1) of the Localism Act 2011 states that a local authority has power to do anything that individuals generally may do. This power of general competence allows local authorities to act in innovative ways and sub section 1(5) makes clear that the generality of section 1(1) is not limited by the existence of any other power of the authority which may over-lap the generality of the power. As with all functions of the Local Authority the exercise of the power of general competence is subject to the public law limitations in respect of vires and any existing specific limits imposed by other legislation.

5.3.2 As stated above the proposed disposal is on commercial terms which satisfies the requirements of Section 123 of the Local Government Act 1972. The Council therefore has the power to enter into the proposed agreement for lease

5.3.3 The proposed disposal is on open market commercial terms and does not provide any specific benefit to Canon that might be considered to distort international trade.

5.3.4 On the basis outlined in paragraphs 5.3.2 and 5.3.3 above it is advised that the proposals are Subsidy Control (State Aid) compliant.

6. ALTERNATIVE OPTIONS CONSIDERED

6.1 The Council could decide not to enter into the proposed agreement to dispose of the site to Canon.

6.2 It would then be necessary to reopen negotiations with SIPL for an alternative development of the site in accordance with the agreement for the wider SOLP

6.3 If this approach were to be taken then the major investment from Canon would be lost and the significant economic, environmental and social benefits to the city set out in the report would take longer to materialise and would be of a different nature.

7. REASONS FOR RECOMMENDATIONS

7.1 The proposed CMPCA is an exciting new development which further enhances the existing facilities in accordance with the SOLP Vision and accelerates its growth and brings a range of benefits for both the local community and wider city region.

7.2 The investment from a major global business will almost certainly attract attention and interest from other organisations and businesses who wish to be associated with the ongoing success of the SOLP

7.3 The facilities at the Sports Diagnostic Imaging Centre will offer affordable and accessible, state-of-the-art services to the region's elite, semi-professional and committed athletes, plus other healthcare services in conjunction with the Sheffield Clinical Commissioning Group and NHS providers for the wider community

7.4 The proposals will deliver a longstanding aspirational sports project which had been proving difficult to secure. This will house new sporting and leisure events to be enjoyed by visitors and residents from across the city region with many being particularly aimed to attract and benefit the local community

Mick Crofts
Executive Director Place