



## Executive Director/Director Non-Key Executive Decision Report

**Author/Lead Officer of Report: Tammy Whitaker, Head of Regeneration and Property Services**

**Tel: 0114 205 6912**

**Report to:** Mick Crofts Executive Director Place  
**Date of Decision:** 15th December 2021  
**Subject:** Parkwood Springs Options Report

Which Cabinet Member Portfolio does this relate to? **City Futures, Development, Culture and Regeneration and Cabinet Member for Finance**

Which Scrutiny and Policy Development Committee does this relate to?  
**Overview & Scrutiny Management Committee**

Has an Equality Impact Assessment (EIA) been undertaken? Yes  No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes  No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."*

### Purpose of Report:

This report seeks to provide an update on the development of leisure use at Parkwood following the termination of the Agreement for Lease with Extreme

The Council has undertaken a project review and options appraisal for future development of the site to decide how best to proceed and this report seeks delegated authority to

1/ progress the preferred option as set out in this report, and

2/ identify and secure funding for upfront site assessment/investigation works and for the clearance of the site of debris and invasive vegetation, subject to

compliance with the Council's budget processes, financial regulations and Capital Approval processes

**Recommendations:**

*It is recommended that:*

That Cooperative Executive

- 1) Notes the progress made to date on delivery of development of the Parkwood site
- 2) Endorses the strategy outlined in this report for the delivery of development at Parkwood
- 3) Allocates £200,000 from established investment resources to develop the proposal and underwrite the cost of site clearance works and a detailed transport, and ecological assessment
- 4) Recommends that a suitable communications and engagement strategy is developed to manage the ongoing development of the Parkwood site as proposals progress
- 5) Recommends that discussions are held with Mayoral Combined Authority to explore the potential for external funding to undertake the site assessment/investigation/access surveys, undertake the site clearance works and the longer term implementation of access and development works to bring the site forward.

**Background Papers:**

Report to Cabinet 17th July 2019 Disposal of land at Parkwood Springs to enable development as an outdoor leisure destination

Report to Leader of Council 26th February 2021 Provision of Access Road and Car Park to Parkwood Springs

Report to Executive Management Team 1st June 2021

Executive Director/Director - Non-Key Executive Decision Report - Parkwood Springs Outdoor Leisure Destination 17<sup>th</sup> August 2021

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: Tim Hardie
		Legal: David Cutting and David Sellars
		Equalities: Anne Marie Johnson
Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.		
2	<b>Lead Officer Name:</b> Tammy Whitaker	<b>Job Title:</b> Head of Regeneration and Property Services
	<b>Date:</b> 15 <sup>th</sup> December 2021	

## **1.0 Purpose**

- 1.1 This report seeks to provide an update on the development of leisure use at Parkwood following the decision to terminate the Agreement for Lease with Extreme.
- 1.2 The Council has undertaken a project review and options appraisal for future development of the site to decide how best to proceed and this report seeks delegated authority to:
  - 1) progress the preferred option as set out in this report, and
  - 2) identify and then secure funding for upfront site assessment/investigation works and to clear the site of debris and invasive vegetation subject to compliance with the Council's budget processes, financial regulations and Capital Approval processes

## **2.0 BACKGROUND**

### **Site Description**

- 2.1 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.
- 2.2 Nearby established communities at Shirecliffe and Burngreave are only a short walk away, as are new and emerging neighbourhoods at Kelham Island and Neepsend.
- 2.3 The Council owns the freehold of the former Ski Village site and surrounding land and this is in a poor condition, overgrown with vegetation including areas of invasive species (japanese knotweed) with redundant remains from the former ski slope and facilities still present. The site is susceptible to tipping, arson, anti- social uses and part of the site has also in the past been occupied by travelling communities.
- 2.4 The adjacent Viridor owned land was previously operated as an open landfill site. This use has recently come to an end with Viridor capping the tip and undertaking extensive landscaping works. Viridor are currently working with the Council to open the site back up for public access.
- 2.5 Access to Parkwood via all modes of transport is poor. The existing access is through an industrial area and is further constrained by the Douglas Road railway bridge, which has both a height and width restriction and so larger vehicles including modern luxury coaches can't get through. Currently there is no easy access to the Parkwood site via public transport. This poor access and lack of sense of arrival currently makes development of the site for any use commercially challenging. Access to the site has always been identified as a major constraint.

- 2.6 In 2018, once commercial tipping came to an end, the Council produced a 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. It was always understood that delivery of this vision would require a phased approach to develop the funding and delivery mechanisms required to realise the local ambitions.
- 2.7 A key component of the masterplan has been the development of the former ski village site as a pay to play leisure destination. This ambition is based on a market assessment undertaken in 2015 that assessed the options for the site and identified the opportunity to develop a modern outdoor pay-to-play sport and leisure attraction, which could aspire to be a tourist destination of regional significance.

### **Brief History**

- 2.8 In 2017 the Council led an open market competition for a development partner to bring the site back as an outdoor leisure destination, intended to be the jewel in the crown of the Outdoor City. As a result of this competition, Extreme Destinations Limited (Extreme) were selected by the Council to deliver a modern ski slope, mountain biking trails, a hub building and visitor accommodation on the site and an Agreement for Lease between the Council and Extreme was signed. Under the terms of the agreement Extreme had to progress the development design works and meet certain set conditions within specific timescales.
- 2.9 Whilst working up their development proposals for the site and to help with scheme viability Extreme agreed terms to sublet a part of the site to Skyline for a luge.
- 2.10 In addition, to help the delivery of the proposed scheme, the Council secured a £4.8m loan from Sheffield City Region Infrastructure Fund (SCRIF) to support the construction of an access road, car park and site infrastructure and then in July 2020 a grant of £6m of Get Britain Building Fund to help unlock the development.
- 2.11 Despite the Council extending the milestone dates in the Agreement for Lease several times to reflect the impact of the covid pandemic, Extreme failed to sufficiently progress the detailed design work for their scheme and in particular for the access road, which was essential to secure the £6m of grant funding.
- 2.12 This lack of performance put the funding/delivery of the road at risk and so the Council took the decision to step in and procure the design and construction of the access road and associated car park. The completed access road designs and costings showed that delivery in the location proposed by Extreme, whilst technically possible, was complex and that delivery would be challenging on the timescale required by the grant funding.

- 2.13 Given these issues the Council took the reluctant decision to pause work on the road design to avoid unnecessary financial exposure and risk to the Council. With agreement with the funders this £6m funding has been reallocated to other priority projects in Sheffield.
- 2.14 Without the grant funding the Extreme scheme was not viable and when added to their failure to meet any of the key milestones and progress the design work the Council took the decision not to further extend the timescales via an Executive Director/Director - Non-Key Executive Decision made on 17<sup>th</sup> August 2021. The agreement with Extreme was therefore ended.

### **Constraints on development**

- 2.15 As set out earlier in this report there are several major constraints that need to be overcome to give greater commercial certainty for the site to be redeveloped. These being:

#### **i) Access**

- 2.16 The key to any development of Parkwood is to improve the accessibility to the site for all modes of transport (public, vehicular, bike and pedestrian) and to seek to achieve the use of more sustainable modes of transport that do not have adverse environmental impacts, as well as to reduce energy consumption. The current site access is poor and could not support a leisure development on the Parkwood site without significant investment.
- 2.17 The cost of providing a new access road to the site has been always a major burden on development viability. One access road option crossing the Viridor site, was proposed by Extreme. This has been worked up/costed but the cost of this is in excess of £6m and so is not financially viable on commercial terms.
- 2.18 A transport/traffic assessment is therefore required in order to undertake a comprehensive review of all the options available to gain access to the Parkwood site to enable its redevelopment with a leisure use, to set out the potential costs/impacts of each option, and to finally recommend an access strategy that will allow the Parkwood site to be successfully redeveloped.
- 2.19 The assessment will model a number of assumptions for visitor numbers and trips generated to assess the transport impacts and any required mitigations and will look at access to the site in the round to establish if there are any other potential access solutions. This would include among other options looking at access from Cookswood Road and Shirecliffe Road and also linkages through to the city centre, active travel and public transport routes.
- 2.20 This is a substantial piece of work, costing between £80,000 and £150,000 but is essential in order to bring redevelopment of site forward

as it will inform how access to the site will be gained. This should be viewed as a cost in bringing the site to the market. Once the report has been finalised, consideration can be given to the implications for the Council and the recommended way forward.

## **ii) Site preparation works**

2.21 In addition to the access works there are substantial works required to make the site suitable for development and to deal with the legacy of past uses on the site.

2.22 These include:

1. Clearance of all the remains of the old ski village infrastructure from the site so that the site is clear and safe including:
  - remains of the old ski matting, and track;
  - the steel skeletons of the banking on the slope;
  - any lighting columns/ski lift columns and any associated cable runs/ducts etc;
  - the remains/foundations of the old buildings;
  - any fly tipped materials; and
  - remains of the ski jump bag
2. The safe disconnection of the historic water and electric supplies to the old ski village and capping of drains
3. Treatment of the invasive vegetation species including the fencing off areas of Japanese knotweed near to public footpaths/ rights of way.

2.23 Japanese knotweed is a fast-growing, vigorous, invasive and resilient weed whose rhizomes (underground stems) can cause extensive damage to paving, roads, building foundations and drains. The high cost of clearing Japanese Knotweed is due to its resilience, the fact that it can easily spread and that under the Environmental Protection Act 1990 it is designated as controlled waste.

### **Cost of works**

2.24 It is difficult to quantify the costs of these works without further detailed investigative surveys, but a conservative estimate of £500k should be made with the assumption of a three year treatment programme for the invasive species.

## **3.0 PROPOSED WAY FORWARD**

3.1 Following the termination of the Agreement for Lease with Extreme Officers have undertaken a project review and have considered a range of options:

## **Option 1 - Do Nothing/Incremental Development**

- 3.2 The Council could choose to do nothing.
- 3.3 In this option the site of the former ski village would remain derelict and overgrown with the Council continuing to pick up all the associated holding/management costs including fly tipping, arson and anti- social uses.
- 3.4 In this scenario the vision for the wider Country Park could still be developed at the other end of the Parkwood site, but before anything meaningful could be achieved on the former ski village site the clearance of the site of debris and invasive vegetation would need to have taken place.
- 3.5 This would have to be a very long term phased approach as without economic outputs (jobs created or new business rates generated) it will be difficult to secure funding for these site clearance works which are the crucial first stage to achieving full public access.
- 3.6 This approach will mean that there will be limited benefits to the local community.

## **Option 2 - Remarket the Site**

- 3.7 This option would remarket the site to find a new developer and operator. It would enable the Council to achieve the ambition as set out in the masterplan and bring the former ski village back into use as a major outdoor leisure destination venue, capitalising on national trends towards outdoor recreation and reinforcing Sheffield's position as the UK's Outdoor City.
- 3.8 In order to assess this option the Council has completed a soft market testing exercise to assess the feasibility of this as an option and to understand the current market appetite.
- 3.9 The key findings were as follows:
- Generally, the adventure multi-sport, destination and outdoor active entertainment market seems to be in a stable position, with significant growth shown by many of the parties engaged in the last ten years. Selected parties work globally (Venture-Xtreme, Parkour Generations and Go Ape) and operators such as Zip World have significant expansion plans in the UK and abroad
  - There was a cautious but genuine interest and appetite from the market and all involved appreciated the unique opportunity that Parkwood presents, notwithstanding some challenges that would need to be addressed (e.g. access and investment)

- The challenges in bringing forward the site (access, condition and investment) mean that public sector funding is required to de-risk the site
  - There was a strong message that the approach to developing Parkwood would require on-going Council support and involvement.
  - A more incremental approach may be required to development, starting with limited facilities to build interest over time.
- 3.10 The market testing suggested that a very different approach is required to a straight land deal. In this scenario it is likely that the Council would need to undertake a procurement exercise to secure a development partner and would likely be required to cover some costs of development and commit to risk sharing in addition to solving access issues and the clearance of the debris and invasive vegetation. This will require an on going commitment of resource from the Council and continued access to public funds

### **Option 3 - Continue to Pursue a Land Deal – Preferred Option**

- 3.11 The soft market testing has established that it is unlikely that a straight remarketing of the site for disposal would result in securing a new developer at this moment in time.
- 3.12 However, Skyline Luge, an international operator, who develop and operate outdoor leisure destinations across the world including New Zealand, Canada, South Korea and Singapore were introduced as a potential partner for the Ski Village site by the Council to Extreme and had negotiated a lease agreement with Extreme to lease part of ski village site for delivery of a luge and zip line.
- 3.13 Over the last 2 years Skyline have developed detailed proposals for the Luge as part of the Extreme development. Despite the termination of the agreement with Extreme, Skyline remain committed to Parkwood as a destination for a Luge and have expressed an interest in taking on redevelopment of the site via a land transaction.
- 3.14 With this in mind they have prepared a high level proposal for a Gravity Park, developing their existing concept from experience of delivering other operations around the globe.
- 3.15 The Gravity Park would be the first in the world and would create a regional leisure destination providing a family orientated experience that fits with the City's aspirations to be an Outdoor City and promoting health and well-being for visitors and local communities. The Gravity Park proposal would include a luge and zip wire alongside a range of other activities and supporting infrastructure integrated with the wider country park and providing access for all people of all abilities and interests.

- 3.16 They are clear however that the access constraints and site condition must be solved for them to be able to enter into a lease for the site. This would require the Council to secure funding to address site clearance and secure access prior to any lease being completed. Skyline would however carry all development and operational risk and the Council would not be required to underwrite the commercial risk.
- 3.17 To maintain momentum it is recommended that the proposal from Skyline is further explored.

### **Conclusion**

- 3.18 Whichever option is pursued it is clear that without some investment from the Council/public sector the Parkwood site is unlikely to be brought forward.
- 3.19 It is therefore recommended that:
- £200k is allocated to undertake site investigation work and site clearance, complete a transport assessment and ecological and environmental assessment. There are alternative funding streams which officers are investigating to meet these costs, which will be identified and agreed in consultation with the Cabinet Member for Finance before submission of the final report.
  - Officers explore opportunities with the South Yorkshire Mayoral Combined Authority (MCA) and other funding bodies to secure funding to address access and infrastructure constraints
  - That Officers further develop the proposals for the Gravity Park with Skyline
- 3.20 Other options remain a fall back position should this approach ultimately prove to be undeliverable.

### **4.0 HOW DOES THE DECISION CONTRIBUTE**

- 4.1 Better health and wellbeing – Participation in active sport and wider use of the Parkwood site for both commercial leisure development and a Country Park 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.
- 4.2 Thriving neighbourhoods and communities – The redevelopment of the ski village site will ensure redevelopment of this prominent derelict land, improving the image and perception of the City and more directly those adjoining neighbourhoods which suffer from the stigma of deprivation.
- 4.3 The proposals for redevelopment of the wider Country Park offer 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

## **5.0 ENVIRONMENTAL SUSTAINABILITY**

- 5.1 The transport assessment will seek to ensure that the route(s) it identifies to access the site allow and encourage the use of more sustainable modes of transport that do not have adverse environmental impacts, as well as reducing energy consumption.

## **6.0 HAS THERE BEEN ANY CONSULTATION**

- 6.1 No specific public consultation on the proposal to deal with Skyline has taken place. However progress to date on the site concerning the Councils dealings with Extreme and their proposals for the site have been shared by officers with local Friends of Groups and local Community Groups.
- 6.2 Moving forward the Council is committed to undertaking further consultation with the local community as plans and proposals for Parkwood emerge

## **7.0 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

### **Equality of Opportunity Implications**

- 7.1 The development of leisure use on the Parkwood 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 number of new full and part time jobs. The socio economic and community cohesion impacts locally will be particularly positive
- 7.2 No negative equality impacts have been identified.
- 7.3 As the development continues to progress there will be further opportunities for stakeholders and the public to be engaged and to make comments through the statutory planning process

### **Financial and Commercial Implications**

- 7.4 The Council has to date currently committed £470k of costs associated with the design and feasibility works for the access road.
- 7.5 Whilst these are abortive costs for the project in its current form, the information gathered will still be relevant when future options for the development of the site are brought forwards. It has been confirmed that these costs will be covered by funding from the South Yorkshire Mayoral Combined Authority.
- 7.6 The proposals in this report would require an additional financial commitment of £200k for further site investigation work, site clearance, the

transport assessment and an ecological and environmental assessment. This time, those costs would be covered by the Council rather than the South Yorkshire Mayoral Combined Authority.

- 7.7 A funding package still needs to be identified to achieve the ambition of the full redevelopment of the Parkwood site. It is unlikely the Council could fund such a scheme from its own resources, unless it is agreed that other strategic projects will not progress. However, carrying out the further investigative work highlighted in this report will be helpful in assessing the viability and costs of future options for Parkwood. This in turn will place the Council in a better position to bid for external funding, which will enable us to deliver the preferred option.

### **Legal Implications**

- 7.8 Confirmation of continued compliance with legal requirements (including procurement law, vires and subsidy control /competition) will be undertaken as part of the decision making process in respect of the proposal in the future.

The Localism Act 2011 provides the Council with a “general power of competence” which enables it to do anything that an individual can do as long as the proposed action is not specifically prohibited. A purpose of the Act is to enable local authorities to work in innovative ways to develop services that meet local needs including environmental requirements. The proposals in this report can be delivered by the Council using its general power of competence.

### **Property Implications**

- 7.9 There are no direct property implication arising from this report.

## **8.0 ALTERNATIVE OPTIONS CONSIDERED**

- 8.1 The alternative options available are set out in earlier in this report in the Proposed Way Forward paras 3.1 to 3.17.

## **9.0 REASONS FOR RECOMMENDATIONS**

- 9.1 As outlined in this Report, there is a still a very clear strategic and economic case to justify leisure development of the Parkwood site
- 9.2 The Executive Director Place believes that a leisure development at Parkwood is vitally important, not only for the regeneration of the City but also by creating jobs and business rates. It also fits with the City’s aspirations to be an Outdoor City and promotes health and well-being for visitors and for local communities.

9.3 The reasons for the recommendations are to provide a way forward for the delivery of the Parkwood development

9.4 For the above reasons it is proposed that the Cooperative Executive adopts the recommendations set out in this report.

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