



Author/Lead Officer of Report:
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Report of: **Michael Crofts Executive Director Place**

Report to: **Cooperative Executive**

Date of Decision: 16th March 2022

Subject: **Disposal of Land at Prince of Wales Road Manor Top, Sheffield**

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input type="checkbox"/> No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	Yes <input type="checkbox"/>
- Affects 2 or more Wards	Yes <input type="checkbox"/>
Which Cabinet Member Portfolio does this relate to? Finance and Resources	
Which Scrutiny and Policy Development Committee does this relate to? Overview and Scrutiny	
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? <i>(Insert reference number)</i>	
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:-	
The Appendix A attached is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).”	
Purpose of Report:	
The report seeks authority to sell Sheffield Councils land interests in property in the vicinity of Prince of Wales Road, Queen Mary Road and Riddings Close to enable redevelopment for a food led retail scheme.	
Authority is also required to include two vacant properties currently in the Council’s housing stock at no’s 6 and 8 Prince of Wales Road in the sale as they are required to facilitate access to the site.	

Recommendations:

- 1) It is recommended that the Chief Property Officer in consultation with the Director of Legal and Governance be authorised to negotiate final sale terms and conditional contracts to enable the retail scheme to progress on such land as is required within the lands edged red coloured pink on the attached plan.
- 2) The Director of Legal and Governance be authorised to draft all necessary legal documentation for the relevant sale of the land edged red and coloured pink for retail and the land edged red coloured pink hatched brown to the developer.

Background Papers:

(Insert details of any background papers used in the compilation of the 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: Paul Schofield
		Legal: David Sellars
		Equalities: : Anne Marie Johnstone
<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:	Michael Crofts
3	Cabinet Member consulted:	Cllr Cate McDonald, Cabinet Member for Finance and Resources
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: Tammy Whitaker	Job Title: Head of Property Services
	Date: <i>(Insert date)</i>	

1. PROPOSAL

- 1.1 The site of the former Prince Edward School was formally declared surplus on 31st March 2017. Prior to this declaration the site was marketed in April 2016 with a closing date of 29th July 2016. One offer was received from Rothstone Estate for a 63,000 sq ft retails scheme. The proposal requires the partial

demolition of the former school buildings and two properties held in the Council's housing stock.

- 1.2 A boxing club, "De Hood", were offered temporary accommodation under a community buildings "Regular Use Booking Form", to occupy parts of the former school building.
- 1.3 To facilitate the development, the proposal is to transfer the freehold of the site of the old Prince Edward School and other land (shaded pink – excluding the Area hatched brown on Plan A) at Manor Top to Rothstone Estates with the site being redeveloped for 50,000 sq ft of retail uses.
- 1.4 The transfer would be conditional on the developer securing planning permission following which a capital receipt of up to £1.72m would be secured.
- 1.5 Extensive discussions have taken place with the key stakeholders to maintain the service the boxing club offer. The aim was to arrive at a mutually acceptable position whereby the club can continue to operate in the locality and the retail development proceed.
- 1.6 The Council has provided support and assistance to the Club with various solutions being offered including:
 - Finding alternative premises in the local area.
 - Erection of a new purpose built club on part of the site.
 - Regulate their existing occupation by way of a lease.
 - Disposal of the entire site to the developer with a condition the club must remain in situ.
- 1.7 The Club have maintained that they wish to remain at their present location. Consequently, the proposed transfer to the developer will include the land for the boxing club. This area is shown hatched brown on the attached plan.
- 1.8 The retail proposal would not include the land hatched brown itself, however the developer would acquire all the land shaded pink and hatched brown subject to a user covenant preventing the land hatched brown being used for anything other than a community use that will encompass use as a boxing club. The developer would become the landlord of the boxing club.
- 1.9 Initial discussions have been held with planning and there are several issues which will need to be addressed in the initial scheme design including connectivity to the existing centre and highways impact.
- 1.10 The financial offer for the site, inclusive of that part used by the boxing club, reflects that that part of the site operated by the boxing club effectively has nil value.
- 1.11 The Council will have achieved a positive land value for the 3.9 acres (16,000sq m) upon which the retail scheme is located. This value is considered to be the best price in accordance with Section 123 of the Local Government Act 1972.

- 1.12 The 1.68 acres (6839 sq m) to be occupied by the boxing club with an absolute user restriction will effectively constitute a sale at less than best consideration however because the use of the property for community based purposes and is something the Council is supportive of, then this disposal at an undervalue is authorised by the General Disposals Consent 2003

2. HOW DOES THIS DECISION CONTRIBUTE

- 2.1 The council took the decision to market the site in 2016 with the objective of creating a vibrant commercial centre at Manor Top which would also support the regeneration of the manor neighbourhood. The proposed retail scheme would help achieve that objective and provide jobs for local people.
- 2.2 The development would:
- create approximately 150 new and part time jobs, and 50 temporary construction jobs.
 - Generate £350,000 in business rates.
 - £9m investment in one of the most deprived wards in the city.
 - Potential CIL payment of £103,000.
 - Address the long outstanding occupation of the site by the boxing club.
- 2.3 The majority of the landholdings on the site are underused and the boxing club is located in a building which is expensive to run and maintain. Although the retail coverage has been reduced since the original offer was made, reflecting a reduction in retail demand nationally, this has opened up an opportunity to relocate a popular boxing club elsewhere on the site.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The Council is not required to consult on the proposals, which will have to go through the statutory planning process and comply with the consultation requirements of this process

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 None

4.2 Financial and Commercial Implications

There will be a capital receipt to service the Council's Capital Programme, and a Community Infrastructure Levy payment associated with the development. The Revenue Budget will benefit from the removal of the financial burden of managing a vacant property, and occupiers paying business rates to Sheffield City Council.

Part of the receipt arises from the sale of land which is owned by the Housing Revenue Account and a relevant proportion will be transferred to the HRA to support its capital programme which includes the maintenance and refurbishment of the Council owned housing estate.

Further commercially sensitive information relevant to the decision is included in the Closed Appendix A.

4.3 Legal Implications

Pursuant to section 1 of the Localism Act 2011 the Council has a general power of competence which subject to specific restrictions allows it to do anything that generally an individual may do. The relevant restriction here is that the general power of competence cannot be used where what is proposed is specifically prohibited in legislation. There is nothing in this report to suggest that this restriction applies here.

Section 123(1) of the Local Government Act 1972 provides that a Council may dispose of land by them in any manner they wish.

Section 123(2) provides that except with the consent of the Secretary of State a council shall not dispose of land under this section ...for a consideration less than the best that can be obtained.

Best consideration is not limited to the purchase price but may include a term or condition attached to the disposal which identifies a specific commercial benefit to the council such as restricting the use of the land to a specific purpose. This is applicable in this case for the reasons set out in the body of the report.

Further the disposal falls within the LGA 1972 General Disposal Consent as the disposal is likely to contribute to the achievement of the promotion or improvement of economic and social well being and the disposal price does not exceed two million pounds.

- 4.3.1 The majority of the site excluding the site of the Council houses at 6 and 8 Prince of Wales Road was marketed informally and then put to the open market. Rothstones offer was the only one that required the Council houses but was the most attractive to SCC.
- 4.3.2 It is imperative that any agreement with the Council house tenants is binding as SCC will be under a contractual commitment to give vacant possession of the land, including the houses, to Rothstone should they, Rothstone, achieve a grant of Planning Permission.

4.4 Other Implications

4.4.1 None

5. ALTERNATIVE OPTIONS CONSIDERED

- 5.1 Do nothing. The former Prince of Wales school buildings are underused but are in part occupied by De Hood Boxing Club who have, in effect, performed a caretaker function for SCC since the schools closure. The maintenance and running costs of these dated school buildings are however disproportionately large and over the longer term the continued occupation of the school buildings by the boxing club cannot be sustained without ongoing financial support from SCC.
- 5.2 Maintaining the Boxing Club in its current location would prevent the retail development at the site, result in an opportunity cost of £1.8m and require ongoing running costs of around £20,000pa the cost of which the council will continue to meet.
- 5.3 Retain the club in its existing position but on a regularised basis. SCC could compel the Club to sign up to a lease regularising their current occupation of the buildings, making the club responsible for running costs and ongoing maintenance costs.
- 5.5 In addition the retail development would not come forward and there would be a saving on running and repair costs in the medium term. In the longer term the buildings would fall into disrepair and there would be occasional calls for SCC to step in and provide funding and/ or the buildings would be left vacant and SCC would ultimately be liable for their demolition.

6. REASONS FOR RECOMMENDATIONS

- 6.1 The overall contract with the developer will enable the Council to achieve a capital receipt, bring forward the development of a retail scheme, achieve the redevelopment of an under used former school building and enable the accommodation of a popular boxing club and community facility.

THE SCHEME

