

REGENERATION AND ASSET BOARD

Venue: Town Hall, Moorgate Street, Rotherham. S60 2TH
Date: Wednesday, 16 April 2008
Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Minutes of the previous meeting held on 19th March, 2008 (herewith) (Pages 1 - 6)
4. Matters arising
5. RERF – 5.23 Flood Alleviation Scheme (report herewith) (Pages 7 - 11)
Christine Majer Economic Strategy Officer, to report.
- **to note the approval of £248,482 towards flood alleviation scheme**
6. EXCLUSION OF THE PRESS AND PUBLIC
The following items are likely to be considered in the absence of the press and public as being exempt under Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular individual (including the Council)):-
7. Town Centre Council Accommodation Strategy (report herewith) (Pages 12 - 16)
Paul Smith, Design Consultancy Manager, to report.
- **to agree future options.**
8. Commercial Property Update (report herewith) (Pages 17 - 26)
Paul Walsh, Programme Manager, to report.
- **to consider the recommendations.**

For information:-

9. Date, time and venue of next meeting:-
Wednesday, 14th May, 2008 at 10.00 a.m. at the Town Hall

REGENERATION AND ASSET BOARD
Wednesday, 19th March, 2008

Present:- Councillor Sharman (in the Chair); Councillors Ellis, Hussain, Kirk, Smith, R. S. Russell, S. Wright and Wyatt.:

Apologies for absence were received from Councillors Rushforth and Stone.

96. MINUTES OF THE PREVIOUS MEETING HELD ON 20TH FEBRUARY, 2008.

Consideration was given to the minutes of the previous meeting of the Regeneration and Asset Board held on 20th February, 2008.

Resolved:- That the minutes be approved as a correct record.

97. ANY MATTERS ARISING FROM THE PREVIOUS MINUTES

There were no matters arising from the previous minutes.

98. THE RAIN BUILDING, EASTWOOD LANE, ROTHERHAM

Further to Minute No. 56 of the meeting of the Regeneration and Asset Board held on 23rd October, 2007, consideration was given to a report, presented by the Director of Asset Management, which informed the Board that RAIN had now signed up to a full repairing and insuring lease for the building they occupied on Eastwood Lane, Rotherham.

Resolved:- That the contents of the report be noted.

(Councillor R. S. Russell declared a personal interest in the above item)

99. ASTON AND RAWMARSH CUSTOMER SERVICE CENTRES

Consideration was given to a report, presented by the Director of Asset Management, which set out progress of the development of the Aston and Rawmarsh Customer Service Centres.

A full explanation of the funding arrangements and funding sources for each Centre was given, with reference to corporate financial constraints.

It was confirmed that the costs incorporated savings from agile working/workstyle practices.

Resolved:- (1) That the contents of the report be noted.

(2) That the Deputy Leader liaise with the Chief Executive and the Assistant Chief Executive, Human Resources, regarding the expected report in respect of workstyle/agile working.

100. HOLLOWGATE DEVELOPMENT - SUPPORTED ACCOMMODATION FOR CARE LEAVERS

Further to Minute No. 51 of the meeting of the Regeneration and Asset Board held on 23rd October, 2007, consideration was given to a report, presented by the Principal Officer, which set out the background to the proposal to demolish the existing building and redevelop the site to provide a high quality design fit for purpose facility and which would increase the quantity of provision available.

Consideration was given to the request to dispose of the site on the basis of discounted value to facilitate the redevelopment.

Members of the Board were referred to the report which detailed the following:-

- the background to the use of this property
- the redevelopment proposal
- issues re: land disposal and values
- need for the facility and benefits for the Council
- finance

Members commented on:-

- The timing of the submission of the request
- The disposal proposal and value
- Nomination rights
- Joint working between Asset Management and Neighbourhoods
- The need to ensure the inclusion of a "break clause"

Resolved:- (1) That approval be given for the disposal of the site and the Director of Asset Management, in exercise of his delegated powers, and in conjunction with the Director of Housing and Neighbourhood Services, determine the lease and rent.

(2) That the lease include a "break clause."

(3) That a further report be submitted to a future meeting of this Board setting out the detail of (1) and (2) above.

(4) That Service areas and Corporate Management Team be informed that any future similar requests be submitted to this Board at the earliest opportunity for consideration.

101. MINOR STRATEGIC CAPITAL INVESTMENT PROJECTS 2008/2009

Consideration was given to a report which detailed the Environment Agency's (EA) £161,000 contribution allocated to the Council for carrying out two flood improvement schemes at Catcliffe and Whiston and which

required the Council to match fund £100,000 of the EA contribution to complete the flood improvement works early in 2008/2009 financial year.

It was pointed out that the EA required approval of the Council's £100,000 match fund before the end of March 2008.

It was noted by the Board that neither Ward Councillors nor Cabinet Members seemed to have been consulted on this issue.

Details of the proposal, together with a financial breakdown, were set out in the report.

Resolved:- (1) That approval be given for the allocation of £100,000 match funding from the Minor Strategic Capital Investment Block 2008/2009 allocation before the end of March 2008, and in advance of approval of Minor Strategic Capital Block Programme in April 2008.

(2) That the Director of Asset Management ensure that Ward Councillors are notified.

102. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Scheduled 12A to the Local Government Act 1972 (as amended March 2006) (information relating to the financial or business affairs of any particular person (including the Council))

103. LAND AT PARK ROAD, WATH

Consideration was given to a report, presented by the Valuation Manager, which detailed the results from the marketing process carried out for the disposal of the site of the former Park Road Junior and Infant School and Comprehensive School Annexe.

Reference was made to:-

- the former use of this site
- its condition upon marketing
- deduction of abnormal costs
- capital receipt for the Council
- planning permission
- Section 106 agreement
- Affordable housing requirement

Resolved:- That the content of the report be noted.

104. SHERWOOD HOUSE, 136 MOORGATE ROAD, ROTHERHAM

Consideration was given to a report, presented by the Valuation Manager, which detailed an offer received from the current occupier of Sherwood House to purchase the freehold interest in the above site.

The report set out the details of the current lease arrangement together with 3 options.

The Valuation Manager explained the advantages and disadvantages of each option.

Members of the Board questioned the terms and conditions of the current lease.

Reference was made to the negotiations which had taken place and to the independent valuation undertaken by the District Valuer.

Resolved:- That the offer negotiated for this property be noted, and Option 3 be supported as the appropriate method of disposal.

105. LAND AT RIDGEWAY ROAD, EAST HERRINGTHORPE

Consideration was given to a report requesting approval for the appropriation of the above mentioned land from Asset Management Service to Housing and Neighbourhood Services for the extension of the cemetery.

The Board stressed that it was essential that all necessary rights are reserved over the land to protect the Council's retained land.

Resolved:- (1) That the previous resolutions of the Regeneration and Asset Board on 11 July 2007 be rescinded.

(2) That an appropriation of sites B, D, E, F and G (shown on Appendix 2 to the report now submitted) from Asset Management Service to Housing and Neighbourhoods Services at a value of £112,000 be approved, to enable the transfer of land to the strategic partner, Dignity Funerals Ltd. subject to (5) below.

(3) That the Assistant Chief Executive, Legal and Democratic Services completes the necessary documentation.

(4) That the Strategic Director of Finance arranges the appropriate budgetary adjustments.

(5) That the Director of Housing and Neighbourhoods Services ensures that all necessary rights are reserved over the land to protect the Council's retained land.

106. LAND BETWEEN 118 AND 120 SWINSON HILL ROAD, DINNINGTON

Consideration was given to a report, presented by the Strategic Property Manager, seeking approval to grant a permanent easement over, and services under, Council owned land to provide access to a residential development owned by joint applicants.

The proposal was illustrated on the plans appended to the report. A verbal explanation was given of the technicalities of the proposal.

Members questioned:-

- How the value had been calculated
- Implications for the Local Development Framework

Resolved:- (1) That approval be given to the granting of a permanent easement over land between Nos. 118 and 120, Swinston Hill Road, Dinnington.

(2) That the Interim Director of Rotherham Investment & Development Office negotiates the access to be granted on the basis set out in the report.

(3) That the Assistant Chief Executive, Legal & Democratic Services completes the necessary documentation.

107. CAPITAL RECEIPTS

(The Chairman authorised consideration of the following extra item in order for the Board to be updated on the current position.)

Consideration was given to a report, presented by the Strategic Property Manager, which highlighted changes to the forecast of capital receipts resulting in a revision of the Council's capital programme.

The following issues were highlighted:-

- anticipated position as at 31st March, 2008
- projected receipt for 2008/2009 (including Sherwood House)
- 2009-2010 – with reference to the change in the Greenfield Moratorium, and the Local Development Framework process

Members of the Board also discussed:-

- Undergate Road sites, Dinnington
- Christchurch Road, West Melton
- Melton High Street
- Warehouse Lane

Resolved:- (1) That the position on the current status of the capital receipts which support the capital programme be noted.

(2) That the position in respect of the former Wath Depot be reappraised.

108. DATE, TIME AND VENUE OF NEXT MEETING

Resolved:- That the next meeting of the Board be held on Wednesday, 16th April, 2008 at 10 a.m. at the Town Hall, Moorgate Street, Rotherham.

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	Regeneration and Asset Management Board
2.	Date:	16th April 2008
3.	Title:	RERF – 5.23 Flood Alleviation Scheme
4.	Programme Area:	Environment and Development Services

5. Summary

This report is to note the approval of £248,482 of RERF capital to be used to underwrite a potential shortfall in funding for the Rotherham flood alleviation scheme. The reason for the request is the unforeseen costs due to the floods of June 2007 and additional legal fees relating to the diversion of the Dog Star gas main, which has used up the contingency element of the budget. Additional funding has been sought from Objective 1 and Yorkshire Forward, to cover this shortfall. Decisions on these applications are expected in 2008/09 financial year, however delivery on the scheme needs to continue. Should funding be secured from external sources then the level of RERF required will be reduced accordingly.

6. Recommendations

To note the approval of £248,482 capital from Rotherham Economic Regeneration Fund. Should further funding be approved from external sources, then the amount of RERF required will be reduced accordingly.

7. Proposals and Details

Background

Previous Reports to Members have outlined the basis of Phase 1a of the Templeborough to Rotherham Flood Alleviation scheme, the development of Phase 2 under Urban Renaissance and within these identify the need for wider flood risk working.

Phase 1A, from near Magna to the Centenary Way roundabout at the end of Sheffield Road. Construction started in October 2006 and is expected to be completed mid 2008.

The scheme currently has a budget of £14.3 million funded by Yorkshire Forward, Objective 1, Environment Agency (Regional Flood Defence Committee) and Rotherham MBC.

Within the main contract item "normal" contract changes were allowed for by the inclusion of a risk pot of £308,000 in the main contract which has now been fully taken up. However, a series of "Exceptional Changes" have also had to be managed by the project team that are beyond what could be regarded as normal. These have been both within the main contractor remit and within the Rotherham MBC direct scheme management budget.

The Volker Stevin contract has incurred £800,000 of additional exceptional spend on issues resulting from the floods of June 2007.

Within the RMBC Managed element of the scheme some £309,000 has been incurred on legal costs from the Dog Star gas main diversion and similar third party costs.

To date these items have been managed within the overall available budget.

The Proposal

The consequence of these additional costs is that any capacity to accommodate change, and extra cost, within the existing budget has now been used up. So any further additional cost changes will need the Council as project sponsor to cover this.

The potential for overspend has to be addressed in terms of budget provision, therefore approval for an extra spend of £248,482 is sought now.

Options available to manage the overspend.

The following options are available to the Council to deal with further expected change / cost overrun:-

1. The Council could cover the overspend provision by increasing its own Capital provision

If the Council were to cover the extra cost this would be a 21% increase in allocation, taking the full amount contributed to £1,299,754. If external grant is not forthcoming this will be the reversion position.

2. The scheme could be amended to reduce / remove an existing provision

The only major single allocation remaining uncommitted is the provision for a payment of the dowry sum of £436,000 to Sheffield Rotherham Wildlife Trust SRWT.

The involvement of Sheffield Rotherham Wildlife Trust as management partner will bring a strong involvement of an effective outside partner and much better quality delivery of the wetland scheme. The transfer of funds should be completed by the end of March. If these funds aren't transferred then the damage to the scheme would be significant in terms of wetland management capability and would include the loss of external grant funding through SRWT of a further £200,000 external grant that comprises bids to landfill tax and Interreg.

3. Bids to external funding

This requires a change to the SRIP allocation that is led by RMBC for Town Team. This potential has been raised with the two main funders Objective 1 and Yorkshire Forward. Objective 1 say that a review of commitments is due in March. Yorkshire Forward informal response is that they may be supportive but a strong case will need to be made. Therefore an immediate decision from both funders is some weeks away.

We have agreed to manage and claim more Yorkshire Forward spend by the end of March 2008 to help them achieve their financial year end targets. As a consequence the RMBC Capital contribution allocation to the project will now move back into the 2008/9 financial year.

Bids to external grant funding are £110,789 to Objective 1 and £137,693 to YF SRIP. This in total is around 2% on total scheme cost. If YF and Objective 1 agree this would require the Council to agree this increase in the SRIP Urban Renaissance allocation to the Scheme from the present £5,080,000 figure to £5,217,693. This was submitted to CMT on 10th March 2008.

4 Underwriting from RERF whilst external grant bids are made asking them to increase their allocation.

In view of the potential time delay on external funding decisions Council underwriting of this additional spend from the Rotherham Economic Regeneration Fund RERF budget could cover the short term budgetary management issue to allow scheme commitments to be maintained whilst external grant allocation submissions are progressed.

5. The additional funding is not required.

This is an unlikely risk assessment. The contractor and project manager advise that knowledge of the ground conditions that have been encountered on the south bank of the area of Firth Rixons are likely to be replicated on the opposite bank and will give rise to unusual higher costs than budgeted for.

Option 4 for RERF to underwrite the increase in allocation until external funding is secured is the preferred option as this will allow the scheme to continue until decisions on other funding contributions are confirmed.

Should RERF contribute towards this scheme, the outputs gained will be 5 hectares of land improved.

The request has been scored against and meets the funding criteria.

8. Finance

Revised budget for Flood Alleviation Scheme.

Funding	Scheme Total	Bids submitted to reduce call on RERF
RERF		
Capital	248,482	
Revenue		
TOTAL RERF	248,482	
Other Funding Sources		
Obj 1	5,670,240	137,693
YF - SRAP and SEZ SRIP	2,148,000	
YF - Urban Ren SRIP	5,080,000	110,789
Environment Agency	358,000	
RMBC	1,051,272	
TOTAL OTHER FUNDING	14,307,512	
Grand Total	14,555,994	248,482

The amount of capital available in RERF is £254,586, which is sufficient to fund this request.

9. Risks and Uncertainties

Phase 1 is on course to hit its planned completion of June-August 2008. Indeed, it must do this to allow compliance with the Objective 1 final year close down timetable. The occurrence of further unexpected events cannot be ruled out however and cost budgeting provision to cope with any further exceptional events/ costs has now been taken up with the 2007 events noted in the description section 7 earlier. So a higher cost outturn has high probability and prudent cover for this eventuality is sensible at this stage.

10. Policy and Performance Agenda Implications

The Flood Alleviation Scheme project and the Flood Risk research supports the aims of:

- Rotherham Community Strategy
- the vision for Rotherham Town Centre (as contained in the Charter and the Strategic Development Framework)

- the objectives of PPS25 – Development and Flood Risk
- the delivery of the objectives of the South Yorkshire Housing Market Renewal Pathfinder.

This deals with the upstream end of the community wide scheme and provides the compensation area at Centenary Riverside that sets the levels for the whole Urban Renaissance area future Phase 2 delivery.

11. Background Papers and Consultation

Urban Renaissance Flood Scheme brochure

Objective 1 and YF funding business Plan

A series of Members reports

Extensive consultation in Phase 1 undertaken with outside agencies and local businesses affected.

Report to CMT 10th March 2008

Report to Cabinet Member 17th March 2008 CM 223

This supports wider project work on the Urban Renaissance Flood scheme that continues to be developed through direct consultation with scheme partners and wider consultation with stakeholders, statutory bodies and those landowners' who are directly affected. For instance a consultation day was held in the town centre in September 2007.

Reports to members will continue as the delivery of the various elements of the work progress.

Contact Name :

Greg Lindley Partner Implementation Officer, Economic Strategy Team

Ext 3871. Email greg.lindley@rotherham.gov.uk

RERF Contact Christine Majer Economic Strategy Officer, Economic Strategy Team

Ext 3817 Email christine.majer@rotherham.gov.uk

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