

Committee Name and Date of Committee Meeting

Delegated Officer Decision – 30 June 2023

Report Title

Town Deal – Grant Agreement Magna & Rotherham Council

Is this a Key Decision and has it been included on the Forward Plan?

No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

Lorna Vertigan, Strategic Regeneration Manager
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Ward(s) Affected

Boston Castle

Report Summary

This report seeks for the Assistant Director, Planning, Regeneration & Transport to sign a Grant Agreement between Magna and Rotherham Council to facilitate vacation of the former 'Cent' Building at Sheffield Road and compensate for loss of revenue income, to enable the delivery of the Town Deal project.

Recommendations

1. To sign the Grant Agreement in relation to the early surrender of a lease and vacant possession of the 'Cent' building and compensation for loss of revenue income to facilitate the delivery of the Town Deal Templeborough Business Zone project.

List of Appendices Included

Appendix 1	Grant Agreement (exempt)
Appendix 2	Equality Impact Assessment
Appendix 3	Carbon Impact Assessment

Background Papers

Consideration by any other Council Committee, Scrutiny or Advisory Panel

Name of Committee – Click here to enter a date.

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Council Approval Required

No

Exempt from the Press and Public

Yes or No? If yes, use text below.

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains commercially confidential information.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information as public release could jeopardise delivery of the project.

Town Deal – Grant Agreement Magna & Rotherham Council

1. Background

- 1.1 Rotherham Council secured £31.6m through Town Deal supporting projects across the Borough.
- 1.2 The Templeborough Business Zone project supports the creation of new managed workspace units, improved public realm and food and beverage facilities on the Magna site at Templeborough.

2. Key Issues

- 2.1 The project requires the use of Magna's land, including buildings which are currently occupied. The Council and Magna have negotiated early surrender of a lease to facilitate vacation of the former 'Cent' Building at Sheffield Road. Additionally a fixed sum will be passed to Magna to compensate for loss of revenue income. Financial details are included in exempt Appendix 1.
- 2.2 The Cent building is currently owned by Magna once the project is underway the building will be demolished and new managed workspace and public realm put in its place. Throughout the project Magna will retain ownership of the building and land once demolished and will continue to own and operate the new property in perpetuity.
- 2.3 The payment of grant will be held on account until the grant agreement is completed and its conditions fulfilled.
- 2.4 Costs are included within the project budget as funded by Town Deal. The project budget is currently being finalised as the project reaches the later stages of design. It will be further formalised once a contractor is appointed and the scheme is fully designed.

3. Options considered and recommended proposal

- 3.1 Officers' recommendation is to sign the Grant Agreement at Appendix 1 enabling the vacation of the building required for demolition, redevelopment and delivery of the Town Deal project.
- 3.2 Redesign of the project to retain the 'Cent' building was considered and rejected in the early feasibility work.

4. Consultation on proposal

- 4.1 The Town Deal Board retains oversight of the project delivery and is fully supportive of the progression of this project.
- 4.2 Magna have been consulted and are fully supportive of the delivery of the Town Deal project and the early surrender of the lease agreement.

5. Timetable and Accountability for Implementing this Decision

5.1 The negotiated agreement requires the tenants to have vacated the premises by 30th June 2023.

5.2 The Templeborough Business Zone project is due for completion in late 2024.

6. Financial and Procurement Advice and Implications (to be written by the relevant Head of Finance and the Head of Procurement on behalf of s151 Officer)

6.1 As the proposed recommendation in this report is to provide grant funding arrangements, there are no direct procurement implications.

6.2 There is sufficient budget to cover the cost of the grant. The remaining approved budget is £6.01m. Scheme deliverability within the approved funding is subject to ongoing review.

7. Legal Advice and Implications (to be written by Legal Officer on behalf of Assistant Director Legal Services)

7.1 Legal Services is acting on the Grant Agreement and has ensured that this includes protective provisions to ensure delivery of the surrendered premises.

8. Human Resources Advice and Implications

8.1 There are no human resource implications arising from the recommendations in this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no implications from the recommendations in this report.

10. Equalities and Human Rights Advice and Implications

10.1 This delegation refers specifically to the signing of a grant agreement and therefore there is no equalities impact.

11. Implications for CO2 Emissions and Climate Change

11.1 This delegation refers specifically to the signing of grant agreements and therefore there is no climate change impact.

12. Implications for Partners

12.1. The Grant Agreement is between Magna and the Council. Magna are fully supportive of the proposed redevelopment of their site and the facilitation of the project through this grant agreement.

13. Risks and Mitigation

- 13.1 This grant agreement mitigates project risk and secures a vacant site to progress the Town Deal project.
- 13.2 Although not directly affected by this project the inflated construction market and difficulties in attracting contractors remains a risk to this and other capital infrastructure projects.

14. Accountable Officers

Lorna Vertigan, Strategic Regeneration Manager
 Tim O’Connell, Head of RIDO

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	Click here to enter a date.
Strategic Director of Finance & Customer Services (S.151 Officer)	Named officer	Click here to enter a date.
Head of Legal Services (Monitoring Officer)	Named officer	Click here to enter a date.

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