

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 29 July 2024

Report Title

Dinnington Projects (Levelling Up Fund) Update Report

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

Yes

Strategic Director Approving Submission of the Report

Andrew Bramidge, Interim Strategic Director of Regeneration and Environment

Report Author(s)

Megan Hinchliff, Regeneration Programme and Strategy Manager

Megan.Hinchliff@rotherham.gov.uk

Ward(s) Affected

Dinnington

Report Summary

In August 2023 Cabinet resolved to:

1. Approve a budget of £11,049,547 to deliver the Dinnington High Street/Market project funded from the Government's Levelling Up Programme.
2. Delegate the commissioning of the design of the scheme to the Strategic Director for Regeneration and the Environment in consultation with the Cabinet Member for Jobs and the Local Economy and the Council's S151 Officer.
3. Authorise the Assistant Director for Planning, Regeneration and Transport to negotiate and agree the acquisition of property interests to deliver the scheme, in consultation with the Cabinet Member for Jobs and the Local Economy and the Council's S151 Officer.
4. Grant a Resolution in Principle to investigate the use of Compulsory Purchase Order powers if terms cannot be agreed, subject to a further report being submitted to Cabinet seeking a formal resolution to acquire property interests required to deliver the scheme through the exercise of the Council's Compulsory Purchase powers.

This report provides an update for Members on the development of the scheme and the acquisition of the various property interests and seeks approval to proceed to implementation.

The report also seeks to confirm the provisional allocation £1 million of the Towns and Villages Fund to support the regeneration of Dinnington.

Recommendations

That Cabinet approve:

1. The delivery of the Dinnington Principal Areas of Growth project within the scope and budget as detailed in Appendix 2.
2. Confirmation of the provisional allocation of £1m of the Towns & Villages Fund to works at Dinnington.

List of Appendices Included

Appendix 1: Site Boundary and proposed plans

Appendix 2: Budget - Exempt

Appendix 3: Revenue Implications - Exempt

Appendix 4: Ownership and Lease Map – Negotiation Status – Exempt

Appendix 5: Property Cost Estimate May 2024 - Exempt

Appendix 6: Initial Equalities Screening Assessment

Appendix 7: Carbon Impact Assessment

Background Papers

<https://www.rotherham.gov.uk/business-economy/transforming-rotherham>

[Towns and Villages Fund Cabinet report 2022](#)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

An exemption is sought for Appendix 2, 3, 4 and 5 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 sensitive commercial information with regards to commercial agreements which could disadvantage the Council in any negotiations if the information were to be made public.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the parties' commercial interests could be prejudiced by disclosure of commercial information.

Dinnington Projects (Levelling Up Fund) Update Report

1. Background

1.1 Principal Areas of Growth

- 1.1.1 In response to the Government's Levelling Up agenda, the Council submitted its Principal Areas of Growth bid for funding first in June 2021 and again in June 2022. Despite not being selected in those rounds, in the Spring 2023 budget Rotherham's proposals were identified as one of 16 to receive a share of £200m additional funding for left behind places and in recognition of the high-quality bid submitted.
- 1.1.2 The package of projects aims to transform two prominent sites within Rotherham's principal settlements of growth, Wath-Upon-Deerne and Dinnington. Both schemes focus on high quality place making to restore the cultural heart of the town centres, increase footfall, boost the local economies, and restore a sense of pride amongst communities.
- 1.1.3 On 30th June 2023, a Memorandum of Understanding (MoU) was signed between the Council and Department of Levelling Up, Housing & Communities (DLUHC) setting out the terms, principles, and practices that apply regarding administration and delivery of this funding.
- 1.1.4 Design development and land negotiation has been ongoing since Cabinet approval was received in August 2023. This report provides an update to Cabinet on progress and seeks the necessary authority to progress the project to implementation.

1.2 Site Context

- 1.2.1 The proposed development site is currently blighted by underused, poorly maintained, and burnt-out buildings. The enclosing boundary includes 32A Laughton Road, the indoor market (34 Laughton Road), Units 36 – 56 Laughton Road, the outdoor market, Dinnington Colliery band building (10 constable Lane) and associated land, and two passageways at either end of the plot.
- 1.2.2 The current built form lacks connectivity and acts as a key barrier to footfall and the sustainability of the Town Centre. Due to its position behind the shopping parade, the outdoor market site is particularly vulnerable to anti-social behaviour.
- 1.2.3 Since the signing of the MoU, the proposed plans to regenerate Dinnington High Street and Markets have been developed in more detail and the feasibility of the project has been strengthened. The design has been developed in consultation with local people and stakeholders through events held in Autumn 2023 and Spring 2024.

- 1.2.4 Key to project delivery is the complete assembly of the land in question, to bring the private land ownerships into public ownership prior to redevelopment. This has long been known and communicated to stakeholders and residents throughout the process. The project is still widely supported despite these known challenges.
- 1.2.5 Since Autumn 2023 consultants acting on behalf of the Council have led negotiations to acquire the land by agreement. Currently, Heads of Terms are agreed on several plots however others remain in the negotiation stages. A further report on the use of Compulsory Purchase powers will be presented to Cabinet in due course.

2 Proposed Scheme

2.1 Existing Site and Proposed Scheme

- 2.1.1 Following Cabinet approval to accept the grant and proceed in August 2023, the Council has developed the scheme feasibility and design. The proposed scheme focusses on high quality place making to improve the heart of the Town Centre, increase footfall, boost the local economy, and restore a sense of pride in the area. The area selected for this scheme and proposed designs are shown at Appendix 1.
- 2.1.2 Of the existing site, six commercial units, the indoor market, the burnt-out building fronting Laughton Road, the Dinnington Colliery Band building, and the fixed outdoor market stalls are proposed for demolition. The new development will provide six replacement commercial units and a larger commercial/community building, all overlooking a new landscaped town square that will accommodate the market and provide better pedestrian links between Laughton Road and the bus interchange/Constable Lane car park.
- 2.1.2.1 It is proposed that the new market stalls be demountable and stored within one of the new buildings on non-market days. Plans can be seen at Appendix 1.
- 2.1.3 Following the consultation events in the autumn of 2023 and the spring of 2024, the design of the scheme is being finalised and it is anticipated that a detailed planning application will be submitted in Summer 2024.
- 2.1.4 A Royal Institute of British Architects (RIBA) Stage 3 compliant cost plan has been developed and a breakdown of the capital and revenue financial implications of the scheme is included at Appendices 2 and 3.
- 2.1.5 The scheme is now sufficiently developed to commence the procurement of a contractor and proceed to the delivery on site. This report seeks Cabinet approval to implement the project within the scope and budget outlined in Appendix 2. Any material variation to this will be subject to further Cabinet approval.

2.2 Site Assembly

- 2.2.1 Lack of public sector control over land and assets is a key risk for the proposed intervention in Dinnington Town Centre. The scheme involves land owned and controlled by numerous private interests. In order to carry out the whole scale improvements, it is essential that the Council acquires the land within the defined boundary to deliver the comprehensive redevelopment.
- 2.2.2 Consultants Gateley Hamer are contracted to negotiate purchase of the land on behalf of the Council. To date, offers have been accepted in principle on several plots and negotiations on the remaining land and properties are ongoing.
- 2.2.3 The Council completed the acquisition of 38-54 Laughton Road on the 31 May 2024.
- 2.2.4 A Property Cost Estimate was provided to Cabinet in August 2023 and authorisation was secured to acquire by agreement on that basis. To reflect the current position of the market an exercise was undertaken in May 2024 to review these figures. An updated Property Cost Estimate is provided in Appendix 5.
- 2.2.5 The Council's clear objective is to acquire these interests by agreement, a further report will be submitted to Cabinet in due course seeking a formal resolution to acquire outstanding interests using the Council's Compulsory Purchase powers if necessary.

2.3 Governance

- 2.3.1 A condition of the MoU agreed with DLUHC was the establishment of a Board to oversee delivery. The Council has been accepted into the Simplification Pathfinder Pilot which would provide the necessary oversight from the government's perspective. Quarterly monitoring meetings will be held with representatives from the Department of Levelling Up and Communities.
- 2.3.2 The project will be delivered subject to the Council's own capital monitoring, assurance and in line with governance processes.
- 2.3.3 In line with the Council's Constitution and Governance practices, project specific HM Treasury Green Book compliant Business Cases will be developed at the relevant project stages. Business Cases will set out project costs, route to market, delivery programmes, ongoing management requirements and implications.

2.4 Resourcing

- 2.4.1 Project development and delivery is led by the Council's Investment and Development Office in partnership with the Estates Service. Design work to

date has been led by AHR Architects which provides a multi-disciplinary team of sub-consultants. This includes negotiations on property matters which is being led by external consultants Gateley Hamer.

2.4.2 The project is being developed in consultation with the Council's Legal, Finance, and Procurement Services. External lawyers and Land Agents with extensive Compulsory Purchase Order experience are advising to support with the land assembly exercise.

2.4.3 Resource costs are accounted for within the Capital budget.

3 Funding Implications

3.1 Capital

3.1.1 The capital funding for the project has been secured by the Council from the Department for Levelling Up Housing and Communities Capital Regeneration Grant. £11,049,549 of this grant is allocated to the Dinnington scheme, with a deadline of the 31 March 2026 to draw down all the grant. Drawdown of funding will prioritise Government grant first with Council Capital drawn of the proposed Towns and Villages Fund contribution fund being toward the latter end of the programme to mitigate the risk of surpassing the funding deadline. However, along with regular liaison with DLUHC colleagues the project's progress will be monitored through dashboards and escalation meetings to identify any slippage and assess the Council's risk in proceeding should the project exceed the funding deadline.

3.1.2 The project will have been substantially completed by this date, the balance of funding to take the scheme through to Practical Completion and handover will be provided by the Towns and Villages Fund, subject to Cabinet approval.

3.1.3 In August 2023 the Council allocated an additional £2m to establish Round 2 of the Towns and Villages Fund. The Capital investment aims to improve the Borough's local town and village centres.

3.1.4 Under the terms of the MoU with DLUHC, grant payments will normally be made every six months in January and July. In effect, each payment represents payment in arrears for one quarter and payment in advance for one quarter. Typically, amounts paid are adjusted by DLUHC in line with updated profiles of both actual and forecast spend as contained within the quarterly monitoring returns submitted by the Council.

3.2 Revenue Implications

3.2.1 The floorspace within the proposed scheme will be managed by the Council's Estates Service. The resource to manage the assets will be funded by the income generated from rents and is expected to be viable and not have any additional revenue implications.

3.2.2 With regards to required repair works and the ultimate refurbishment package, this will be funded through the capital grant, therefore it is not expected to have revenue implications.

3.2.3 Please see exempt Appendices 2 & 3 for full details.

4. Options considered and Recommended Proposal

4.1 *Option 1: Approve the implementation of the regeneration project in line with the design, programme and costs outlined in Appendix 2 (preferred option)*

4.1.1 The recommended option meets the scheme objectives outlined in the business case for the Levelling Up capital grant application and approved by Cabinet in August 2023. The scheme will provide purpose built commercial and community floorspace and a new square that will accommodate the market and provide better pedestrian links between Laughton Road and Constable Lane.

4.2 *Option 2: A reduced scheme based on the partial assembly of the site.*

4.2.1 The area of focus is situated in a prominent position within the retail area but contains vacant/burnt out buildings and areas of under-used land. It has significant potential to improve trading conditions for existing businesses, add to the retail offer in Dinnington and provide better pedestrian links to the bus station. There are over 20 property interests in this area which will need to be assembled to facilitate the development of a comprehensive scheme.

4.2.2 The partial acquisition of the site is discounted as it would result in an ad-hoc development that would not result in the same economic/environmental benefits for the area or meet the requirements of the approved DLUHC Capital grant funding.

4.3 *Option 3: Do Nothing*

4.3.1 Given progress to date a 'do nothing' option is no longer realistic. Should the project cease at the current stage, the Council would still be required to manage assets that have been acquired, the trading environment for existing businesses would remain challenging, and the presence of derelict/vacant units in such a prominent location would continue to have a detrimental impact on the retail area. The Council would also be unable to draw down the remaining grant, and there is a risk of reputational damage with this option.

5. Consultation on proposal

- 5.1 The Government supported scheme was developed in conjunction with Dinnington Ward Members, Dinnington St John's Council, and the MP for Rother Valley.
- 5.2 The options that were explored prior to the funding bid were largely focussed on the recommendations and priorities of the Dinnington St John's Neighbourhood Plan, as well as findings from the consultation carried out in advance of the previous bid in 2021.
- 5.3 Since project initiation, an engagement plan has been implemented which aims to ensure thorough and wide-reaching communication with residents, stakeholders, and directly affected businesses.
- 5.4 Two periods of consultation and engagement have been carried out in October 2023 and March 2024, with feedback from these sessions being used to inform and develop design plans.
- 5.5 The sessions were carried out on busy market days and during the evenings to maximise attendance. Local newspapers and newsletters have been used alongside social media posts, website content, and printed content to ensure events and key messages had maximum reach. The reach was reflected in the high number of people attending consultation and engagement events.

6. Timetable and Accountability for Implementing this Decision.

6.1 Project development

- 6.1.1 The planning application for the proposed scheme will be submitted in Summer 2024. Subject to planning approval, the design of the scheme will be finalised in partnership with the construction contractor.

6.2 Property Acquisition

- 6.2.1 As outlined above, good progress is being made on acquiring the various property interests to deliver the scheme. It is the objective to acquire all these interests by late 2024/early 2025.

6.3 Start On Site

- 6.3.1 Work is expected to start on site in early 2025, beginning with clearance and demolition works.
- 6.3.2 Construction of the new buildings and public realm will follow, with an expected completion date of the autumn of 2026.

7. Financial and Procurement Advice and Implications

- 7.1 The procurement activity as detailed in this report, must be undertaken in compliance with the relevant procurement legislation (Public Contracts Regulations 2015 or the Procurement Act 2023, whichever is the applicable legislation at the time) as well as the Council's own Financial and Procurement Procedure Rules.
- 7.2 As outlined in the report the current available capital funding is £11,049,547. It is proposed to increase the funding available with the use of the Towns and Villages budget allocation. The detailed capital budget proposed is within Appendix 2.
- 7.3 The revenue implications of the development have been reviewed and are detailed in Appendix 3.

8. Legal Advice and Implications

- 8.1 The proposed regeneration project is consistent with and being managed in accordance with the terms of the MoU between the Department for Levelling Up, Housing and Communities and the Council of June 30th, 2023.
- 8.2 The funding of the project is consistent with the aims of the Towns and Villages Fund as approved by the Cabinet Report of January 24th, 2022. The allocation of £1m from that fund for the project is consistent with the Round 2 Funding which increased the original fund by £2m and is in accordance with the briefing to Cabinet of March 23rd, 2023.
- 8.3 Where transactions are underway for individual plots this work will need to be managed to ensure that the transactions complete within required time constraints.
- 8.4 The potential need to rely on a CPO to complete the purchase of all of the properties on the site includes the inherent risk of challenge that exists within that process. Advisers have been consulted to ensure that the process is carried out compliantly and to ensure any such risk is minimised.
- 8.5 The resulting construction on the site will need to be carried out in compliance with then current procurement law and compliant procurement processes will need to be adhered to both in terms of the applicable legislation and the Council's constitution.

9. Human Resources Advice and Implications

- 9.1 There are no direct Human Resources Implications arising from the recommendations contained in this report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The outdoor market area of the site is currently used by young people for recreational purposes; concern has been raised at consultation events that this behaviour amounts to anti-social behaviour. It is hoped that this project will help young people to feel a sense of pride in their local area.
- 10.2 The Council has contacted youth groups to initiate specific consultation with young people.
- 10.3 There are no implications unique to children and vulnerable adults arising from this project.

11. Equalities and Human Rights Advice and Implications

- 11.1 The project will include demolition and construction which will impact on the continuity of certain services as well as some potential temporary impacts on accessibility. This will be managed throughout the construction period and communication with local people and businesses will be carried out.
- 11.2 The outdoor market area, which also serves as secondary route to the high street will be demolished as part of the scheme and a new market provision provided upon completion. The Council is working to provide a temporary location for the market during construction to allow traders to continue trading and ensure that the local provision is not suspended during construction.
- 11.3 An Equality Screening Assessment has been carried out on this programme of work and is attached as Appendix 6 to this report.

12. Climate Impacts

- 12.1 During construction, there will be an increase in emissions from non-domestic buildings, transport, waste, and localised power generation.
- 12.2 The replacement of the existing building will ensure much improved energy efficiency in the operation of the new commercial units. This will slightly offset the increased emissions during the demolition and construction phases. Locally sourced materials will be sought, and active travel will be promoted through the scheme. Landscaping will include shrubs, trees, and other ecology boosting elements which are currently not present on this brownfield site.
- 12.3 The Council will ensure emission reducing measures are implemented wherever feasible in the construction, operation, and maintenance of the building and public realm.
- 12.4 When appointed, the main contractor will be responsible for compliance with relevant building regs and other relevant legislation, which RMBC will monitor carefully.

12.5 A Carbon Impact Assessment has been completed and is attached as Appendix 7.

13 Implications for Partners

13.1 The Council will continue to work in partnership with Dinnington St John's Council to engage with local partners and deliver the project.

13.2 The project will have a positive impact on the local area providing new high-quality infrastructure and public realm. Community groups will be encouraged to make use of the space on offer.

14. Risks and Mitigation

14.1 The main risks are:

- Completion of land assembly within required timeframe
- Construction market risks with regards to capacity and costs
- Impacts on businesses
- Funding deadlines

14.2 **Risk 1:** The complexities of the land ownership on site, and the outstanding land assembly is identified as a risk to timescales and deliverability.

14.2.1 **Mitigation:** Property and legal experts continue to work with landowners to bring forward acquisitions by agreement. A Compulsory Purchase lawyer has been instructed to prepare for a Compulsory Purchase Order if this is required, subject to Cabinet approval.

14.3 **Risk 2:** General construction market risks in relation to saturation of the market, availability of contractors and materials, and increasing costs are identified.

14.3.1 **Mitigation:** Market engagement is being progressed and regular cost management activities have taken place. A procurement strategy that reflects the market will be followed.

14.4 **Risk 3:** Construction impacts and general disturbance to businesses is a risk locally and will require dedicated management.

14.4.1 **Mitigation:** Working with directly affected businesses and the wider high street to support the local economy in the interim prior to the completion of the redevelopment.

14.5 **Risk 4:** The government-imposed deadline for project completion is March 31st, 2026, however, given the stage the project is at, a delay beyond this date is expected. There is a risk that the funder will not agree an extension.

14.5.1 **Mitigation:** Any required extension or variation will be sought with the funder in advance to mitigate risks to delivery. The project will have been substantially completed by March 2026, and the balance of funding to take the scheme through to Practical Completion and handover will be provided by the Towns and Villages Fund, subject to Cabinet approval.

14.6 The wider project risk register is regularly monitored and reported.

15. Accountable Officers

Simon Moss – Assistant Director, Planning Regeneration & Transport

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp OBE	27/06/24
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	19/06/24
Head of Legal Services (Monitoring Officer)	Phil Horsfield	19/06/24

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