

**Committee Name and Date of Committee Meeting**

Cabinet – 06 July 2026

**Report Title**

Town Centre Strategic Sites

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

Yes

**Executive Director Approving Submission of the Report**

Andrew Bramidge, Executive Director of Regeneration and Environment

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**Ward(s) Affected.**

Boston Castle

**Report Summary**

This report presents the ambitious and transformative regeneration proposals for 5 Strategic Sites in Rotherham town centre with a high-quality housing and lifestyle offer that will set the tone for the future development of the town centre. The creation of additional residential communities will build on the Council's ongoing regeneration ambitions for the town centre, which date back to the 2017 masterplan and the identification of the intent to deliver new housing along the river front. These proposals signal the next phase of development following completion of Forge Island, the new Markets and Library and a range of public realm improvements. The 5 sites are: -

- Westgate Car Park
- Sites on Sheffield Road (SIG and Bedell land)
- The Statutes Car Park
- Snail Yard, High Street
- 3-7 Corporation Street

The report outlines the Council's ambitions for the sites, the phased approach to redevelopment, and the outcomes of the work to date, including feasibility work to produce initial outline concepts and Strategic Regeneration Plans (SRPs) which are contained within Appendix 1.

It concludes by setting out the next steps required to progress through Stage 2 of the process to produce detailed, deliverable, costed development plans, with financial models, over the next year that will clearly illustrate how the sites can be delivered in the final stage, and recommends an allocation of £2.42m from the Council's Local Regeneration Fund to facilitate this.

No decision is required at this stage on the ultimate development plans for the sites, their funding, financial models or land ownership arrangements, however emerging thinking is referenced. A Cabinet report will be presented in 2027 which details the final proposals.

## **Recommendations**

That Cabinet:

1. Notes the completion of Stage 1 of the Council's phased approach to the redevelopment of the 5 Strategic Sites.
2. Approves the allocation of £2.42m from the Council's unallocated Local Regeneration Fund to facilitate the completion of Stage 2 of the redevelopment of the sites, the detail of which is described in section 2.1.
3. Delegates authority to the Executive Director of Regeneration & Environment, in consultation with Cabinet Member for Transport, Jobs & Local Economy and S151 Officer to negotiate contract terms with Capital and Centric and enter into contract to complete all elements of Stage 2 development work for the 5 strategic sites.
4. Notes the presentation of a further report to Cabinet in Summer 2027 summarising the outcome of the stage 2 work and setting out final recommendations for a detailed delivery strategy that will form stage 3.
5. Approve necessary consultation and engagement activity with all stakeholders to inform and support the progression to the next stages of development.

## **List of Appendices Included**

Appendix 1 – Exempt - Summary of Strategic Regeneration Plans

Appendix 2 - Exempt – Financial Breakdown

Appendix 3 – Equalities impact assessment

Appendix 4 - Carbon Impact Assessment

## **Background Papers**

[Delegated Officer Decision 29<sup>th</sup> August 2024 – Feasibility Fund Allocation: Strategic Sites](#)

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

None

## **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 and 2 in relation to 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 of letting a tender.*

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

## Town Centre Strategic Sites

### 1. Background

- 1.1 Rotherham Council's long-term objective, dating back to the 2017 masterplan for the town centre is to achieve the continued diversification of its offer through attracting new uses, services, residential and leisure opportunities and moving away from the traditional retail market. Works which have already been delivered, or are in delivery, to meet this objective, include Forge Island leisure destination, Town Centre Public Realm improvements, Riverside Gardens, Council led housing development at Westgate, the Markets and Library redevelopment and the town centre Health Hub.
- 1.2 The proposals for the Town Centre Strategic Sites will continue to build on this, providing a unique opportunity to elevate the town centre living and quality offer to a level not previously available in Rotherham. With the strategic intent and sites first identified within the Town Centre Masterplan in 2017 and later in the 2021 Town Investment Plan this transformational proposal will provide a high-quality housing solution, commercial property and premium lifestyle offer that will attract a new demographic to the town creating a suite of catalyst projects to influence and drive change through increased discretionary spending in the town centre.
- 1.3 Bringing forward proposals for the 5 sites together will create a significant, combined impact compared to a piecemeal proposal if the sites were left to the market. This will result in the continued positive message of the town centre as a destination for residents of the Borough and all other surrounding areas, as reputation and perception of Rotherham positively improves as a direct consequence of this investment opportunity
- 1.4 A cluster approach is considered necessary to create sufficient quantum of development potential to tackle viability and to create a greater sense of place in the town centre. Significant progress has already been made by the Council in acquiring, demolishing, clearing underused and derelict sites and preparing infrastructure ready for development.
- 1.5 The introduction of additional town centre residential accommodation is a key component in supporting the continued diversification and long-term vitality of the town centre. Increasing housing supply is also a fundamental element of the Council's Housing Strategy which references Housing Growth as a borough wide priority. This is further supported by the provisions within the Rotherham Strategic Housing Market Assessment (SHMA) emphasising the need and aspiration for Town Centre living compliance with the Council's Affordable Housing policy. Increasing the resident population within the centre will help to generate sustained footfall and local expenditure, which are widely recognised as key factors in supporting the viability of high streets and town centres. The UK has experienced a structural shift in retail, with online sales rising from under 5% in 2006 to around 25% by 2023, contributing to high street decline and reinforcing the need for alternative activity, including residential uses.
- 1.6 A greater level of town centre living will also contribute to activity beyond traditional trading hours, helping to support the evening economy and a broader mix of uses,

including leisure, food and beverage, and community services. This in turn supports a more resilient and vibrant town centre, reducing reliance on traditional retail and aligning with national trends which identify housing-led regeneration as a key driver in the revitalisation of town centres.

1.7 The vision for these strategically positioned sites is for the creation of communities that re-invigorate the town centre and provide long term sustainability through increased occupation and usage. This will be achieved through increasing housing supply, improvements to public realm and leisure and the creation of commercial opportunities.

1.8 The 5 Strategic Sites identified for development are:

1. Westgate Car Park (Westgate Riverside Residential Quarter)
2. Sites on Sheffield Road (SIG and Bedell land)
3. The Statutes Car Park
4. Snail Yard, High Street
5. 3-7 Corporation Street

Sites 1, 2, 4 and 5 were purchased from the private sector using Government grant and site 3 came into the Council's ownership following demolition of the Magistrates Court. In the interim the sites have been generating revenue income for the Council of around £150k p/a.

1.9 In bringing these sites forward for development, the Council aims to:

- Continue to expand the new community in the town centre through high quality, statement housing, integrated services and activities;
- Create a long-term positive legacy for the town centre, long-term established communities and a sense of place through a jigsaw of strategic sites.
- Work at pace to provide a positive future for complex sites.
- Secure private sector investment, working with credible partners who share the Council's vision and passion.
- Tackle viability in a low value market with public sector support.
- Attract partners who will create a lasting positive legacy in the town centre and invest long term in the future of the town, avoiding private sector partners who see short term gains and strip investment out of the town centre. The developments will complement the emerging leisure and events offer in the town centre and proposals will need to demonstrate how they will add to this.
- Provide ongoing guardianship of sites in the long term, leveraging a strong positive brand to attract interest and demand in town centre living, and creating a range of ancillary leisure uses that support activities and events that engender positive community cohesion.
- Create demonstrable social value for both the new communities and the wider Rotherham community.
- Contribute towards a renewed public perception of Rotherham as a place to live, visit and enjoy.
- Reduce pressures for future green belt housing site allocations.

- 1.10 To achieve the ambitions for the sites, and to establish viability and buildability from the outset, the Council undertook a procurement process to appoint an experienced private sector Developer Partner who shared the Council's objectives. This approach sees the development of the sites over three stages with Cabinet decisions in between. The first stage involves the creation of Strategic Regeneration Plans (SRPs) for each site, which were to provide information to show:
- Market appraisal and viability appraisal.
  - Desktop site investigations.
  - Stage 1 design concepts.
  - Demonstration of how social value will be achieved in the development of each site, bringing additional benefit to Rotherham and its communities.
  - Provision of innovative ideas for community and stakeholder influence and engagement.
  - Programme and options for development and delivery, including funding strategies.
  - Proposals to structure development risk and reward.
- 1.11 Upon completion of the tender process, the Council appointed Capital & Centric (Rust) Limited ("Capital & Centric") as the Developer Partner. Stage 1 has now completed and a summary of the outcome of the Stage 1 SRPs is provided, along with a description and further information on the next proposed stages, in Sections 2.2 – 2.4 below.

## **2. Key Issues**

### **2.1 Stage 1: Summary of the outcome of the Strategic Regeneration Plans**

The SRPs should be regarded as initial conceptual proposals for the development of the sites, covering both design and funding approaches. These proposals will be further developed and refined throughout Stage 2, with the resulting detail brought back to Cabinet for consideration.

#### **2.1.1 The Statutes, Sites on Sheffield Road and Westgate Riverside Residential Quarter**

##### *2.1.2 Design Concepts*

These sites have been clustered together to create a coherent design narrative along the River Don. In total the schemes are estimated to deliver 225 new homes including both apartments and houses. At this stage of the feasibility work, the option proposed by Capital and Centric on which the current funding strategy is based is for the new homes to be developed for private rent with Capital & Centric acting as landlord. Tenures will be explored in further detail as part of Stage 2 and will be subject to the Planning process. The outcome of this will be reported back to Cabinet in Summer 2027.

##### *2.1.3 Programme*

Subject to further Cabinet approval and the progression to Stage 3 contracts, as referred to above, the sites will see development starting in early 2028.

- 2.1.4 *Funding Strategy, Viability & Development Options & Structure*  
Capital & Centric are exploring a proposal to fund the development of these sites through their Impact & Places Partnership, which is a joint venture between Swiss Life Asset Managers, Homes England and Capital & Centric. It should be noted that while some viability modelling has taken place and that this indicates the development can be fully funded through this partnership, there remains a risk that the schemes will require additional capital funding outside of the partnership. This could, for example, be influenced by any delays in getting to site, global influences on the construction market, the Council's requirements for a land receipt and changes in the proposed tenure models. This will be explored in detail at Stage 2, as referenced below. If during this process it is determined that additional funding is required, it may be necessary for the Council to support Capital & Centric in sourcing additional funds.
- 2.1.5 Long term ownership and management of the sites will be negotiated as part of the Stage 2 process towards a Development Agreement. A strength of the Capital and Centric model is to maintain long term involvement in the stewardship of the sites they develop which ensures the maintenance of quality and development of a community. This approach will require disposal of the land to Capital & Centric. Discussions around whether the sites would be disposed of at nil value or generate a capital receipt will take place through Stage 2, however it should be noted that any capital receipt will impact on the viability of the schemes. Options around future development models, and a clear proposal, will be brought for Cabinet's consideration at the completion of Stage 2.
- 2.1.6 **3-7 Corporation Street & Snail Yard**
- 2.1.7 *Design Concepts*  
These sites are considered best suited to a development of mixed uses. For Snail Yard, the concept proposes office, retail and 4 residential units around a courtyard space. Concepts for 3-7 Corporation Street consists of ground floor commercial space with 10 duplex residential properties above.
- 2.1.8 *Programme*  
Subject to further Cabinet approval and the progression to Stage 3, as referred to above, the sites will see development starting in early 2028.
- 2.1.9 *Funding Strategy, Viability & Development Options & Structure*  
It is considered that these sites would not attract funding through the Impact & Places Partnership, nor are they considered viable without some form of public sector funding. Instead, the Council will work with Capital & Centric throughout Stage 2 to consider other forms of funding such as National Housing Development Fund, Gainshare and City Densification Fund amongst others. Given the more challenging viability on these two sites, there is an increased risk that gap funding cannot be secured to bring these sites forward. Detailed work will take place as part of Stage 2 to determine site proposals and financial appraisals to be able to present to Cabinet next year to provide a firm basis for decision making.

#### 2.1.10 Social Value

Capital & Centric committed to providing a £2,000 contribution within the contractual obligations of the contract and this has been agreed. The contribution will be allocated based on the recommendations of Voluntary Action Rotherham and approved by the Council's Social Value team. The developer will be donating to one of Rotherham's 8 Social Prescribing Hubs who support community work across the Borough. The Social Prescribing Hubs pilot project is a collaboration between the RTP partners to ensure donations are meaningful and reflect the needs of local residents. These activities will contribute towards the delivery of the Council's targeted Social Value (TOMs) outcomes

2.1.11 During Stage 2 the Council will undertake negotiations with Capital & Centric to form their social value commitments for Stage 2 and once the scheme reaches delivery. So, while the detail for these stages will be provided at a future Cabinet meeting, it should be noted that Social Value is integral to Capital & Centric's operational model and ethos. As an organisation Capital & Centric are committed to providing local jobs through the construction period as well as permanent employment, enterprise growth and supply chain opportunities through the long term development.

#### 2.1.12 Stakeholder Engagement

The SRPs set out the future approach to consultation and community engagement. A structured consultation programme will engage the Council, local residents, council business tenants, other local businesses, education providers and community organisations throughout the project lifecycle. Activities will include public events, workshops, targeted meetings, local business engagement sessions and regular communications, delivered in close collaboration with the Council's communications team to ensure inclusive and effective engagement. Feedback will inform design and delivery, ensuring the scheme responds to local priorities, supports existing communities and strengthens opportunities for local businesses and town centre vitality.

### 2.2 **Stage 2**

2.2.1 The structure and scope of the tender allowed the partnership between the Council and the Developer to evolve through two Gateways, each of which are subject to Cabinet approval and the subsequent award of relevant contractual agreements. This report seeks endorsement to move from Stage 1, which is completed, onto Stage 2. Stage 2 culminates in the production of Full Business Cases (FBC) for each of the Strategic Sites. Specifically, this includes as a minimum:

- Intrusive site investigations in preparation for remediation of vacant sites
- Detailed viability appraisals and funding strategies
- RIBA Stage 3 design concepts
- Securing Planning Permissions
- Raising of the required development finances
- Detailed cost plans
- Presented as a HM Treasury Compliant 5 Case Full Business Case

2.2.2 Throughout this period the Council will enter into negotiations to agree Development Agreements (or development agreement, if appropriate) for the

delivery of the schemes to subsequently be submitted for approval. While this report flags some of the likely outputs of Stage 2 it should be noted that it is only through the Stage 2 process that that risks will be fully assured, with practical mitigation measures built into the proposed approach. Once completed, the FBCs, in summary form, will be presented to Cabinet in Summer 2027 for consideration.

- 2.2.3 Progression to Stage 2 will require the Council to meet the pre-development costs of £2.42m. It is proposed that this is funded through unallocated Local Regeneration Grant. The Local Regeneration Grant is the name applied to the Central Government funding previously known as Pathfinder, the name for the collated pots of Town Deal, Future High Streets and Levelling Up funds. Use of this underspend to progress these schemes accords with the longstanding strategic intent to diversify the town centre through the development of these sites. It is also consistent with the Government's intention to enable local authorities to have flexibility over the use of these funds.
- 2.2.4 The £2.42m is in addition to the £600,000 already allocated to fund early consultation and stage 1 feasibility works.
- 2.2.5 Up to the conclusion of Stage 2 the financial risk to the Council is £3.02m, of grant funding and will represent the full costs incurred to achieve detailed development plans and planning approval for the 5 strategic sites. While there remains a risk that ultimately the Council may decide not to proceed past Stage 2 and into delivery this is considered a necessary risk in order to unlock these strategically important sites to achieve transformational change in the town centre and for the Council to retain control of the development activity and regeneration message. It is acknowledged that this stage only represents the comprehensive feasibility work and therefore there is a risk that the outcome will be that the sites are not feasible to be developed in this way, due to the funding gap identified as part of the scope of works.
- 2.2.6 The outcome of Stage 2 feasibility work will be reported to Cabinet in Summer 2027. Cabinet will be presented with options to proceed or not proceed at that point. These options will include full details of the funding and land commitment required to progress to Stage 3 in line with the findings of the stage 2 report along with all alternative options including options for funding and land disposals. The Council is not compelled under the terms of the procurement to progress to stage 3 and this option will also be presented. The initial indicative feasibility costs of the full development can be seen in Appendix 1.

### 2.3 **Key Risks associated with Stage 2**

- 2.3.1 At this stage of the feasibility development work, Capital and Centric are confident that they will be able to secure the gap funding required to develop the sites identified for housing. The position for the other 2 sites is, at this point in time, less clear and there is a risk that development cannot proceed because of viability gaps. The risks are tabled within section 13 of this report however, there are some key risks for consideration to highlight at this early stage.

Risk Description	Impact	Mitigation
Stage 2 s concludes that the schemes are not viable to deliver and the Council chooses to cease development through the current approach	Potential financial loss of the grant funding allocation to date and the sites remain undeveloped.	There is no direct mitigation for this loss, however the Council would still have the benefit of the feasibility works, planning approval and full business cases information to support any further considerations in adopting an alternative approach to delivery.
Gap funding over and above that supported by the Impact & Places Partnership is required for the housing sites.	Additional funding cannot be sourced and the schemes are rendered undeliverable or considerably delayed.	As Stage 2 progresses there will be regular assessments of the direction of travel in relation to the scheme costs and funding opportunities in conjunction with the Council's Finance team and funding partners
Capital and Centric can offer no viable funding model to support the gap funding required for the 2 mixed use sites	Additional funding cannot be sourced and the schemes are rendered undeliverable or considerably delayed.	CAs Stage 2 progresses there will be regular assessments of the direction of travel in relation to the scheme costs and funding opportunities in conjunction with the Council's Finance team and external funding partners
Development of the sites requires disposal of land at nil value	Loss of capital receipt to the Council	Land value will be assessed and fed into the viability assessments during Stage 2 and a recommendation made to Cabinet in Summer 2027. While the sites may generate a capital income it is likely any income generated will have a negative impact on the viability of the schemes.

- 2.3.2 In considering these risks it is important to understand the rewards that are possible to be gained for Rotherham Town Centre should the development of these 5 Strategic Sites be supported. In contrast, doing nothing would leave 5 prominent Town Centre sites undeveloped and unable to achieve their full potential to transform the town centre offer and potentially undermine the ability of other key regeneration projects to generate the greatest impact. Cabinet will have the opportunity to decide whether to proceed or not after the completion of the Stage 2 development work.
- 2.3.3 Stage 2 outputs will be reported to Cabinet in Summer 2027. Cabinet will be presented with options to proceed or not proceed at that point. These options will include full details of the funding and land commitment required to progress to Stage 3 and Development Agreement, along with all alternative options including options for funding and land disposals. The initial indicative feasibility costs of the full development can be seen in Appendix 1.

## 2.4 **Stage 3**

- 2.4.1 The third and final stage will see the signing of a Development Agreement (or development agreements, if appropriate) and implementation of the Full Business Cases including full details of the financial implications, land implications and delivery strategies and will only take place upon Cabinet approval, scheduled for Summer 2027. Subject to necessary approvals, work will then start on site in 2028.
- 2.4.2 Further commitments to Social Value will be secured from the Developer Partner before progressing onwards to Stage 2 and 3, these commitments will be in line with Council Social Value priorities, policies and TOMs framework.

The Council is not compelled under the terms of the procurement to progress to stage 3 and this option will be presented at Cabinet in Summer 2027.

## 3. **Options considered and recommended proposal**

### 3.1 **Progress to Stage 2 with Capital & Centric as Development Partner:**

- 3.1.1 In developing the procurement strategy for the 5 Strategic Sites the Council determined that the procurement of a Developer Partner, as opposed to in house or consultancy developed proposals, was the most effective route to ensuring buildability from the outset given the complexity of the sites. The phased approach gives the Council greater control over the evolution of the schemes.
- 3.1.2 It enables the Council to ensure proposals are fully tested, costed, and aligned with the agreed vision for Rotherham. Advancing to Stage 2 at this time maintains the original plan and keeps momentum, maintains Council influence over the sites, and ensures decisions are based on detailed evidence rather than assumptions, giving the town centre the best chance of achieving high-quality, coordinated development in line with the Council's Placed Based Investment Strategy, Town Centre Masterplan and Town Investment plan. **This option is recommended.**

### 3.2 **Move to stage 2 on a Council led basis:**

- 3.2.1 An alternative option would be for the Council to progress Stage 2 without the Developer Partner. Instead, the Council would use the SRPs and assume a direct development role. This would require the Council to establish a multidisciplinary development capability, either through recruitment or the commissioning of external specialist advisers. It would also require the Council to identify and secure the necessary funding to progress the schemes, including development, enabling, delivery and construction costs, with associated borrowing, cash-flow and affordability implications. All delivery and market risk would sit with the Council, alongside the need for additional governance and management arrangements.
- 3.2.2 For these reasons, this option is not considered to offer the same level of efficiency, certainty and risk as progressing Stage 2 with the Development Partner. **This option is not recommended.**

### 3.3 **Delay progression to Stage 2:**

- 3.3.1 The Council may choose to halt progressing to Stage 2 until a future date. This would likely result in the loss of the Development Partner as they move to alternative projects. Funding is available through the Local Regeneration Fund and momentum is building around the town centre and Don Valley Corridor. Accordingly, halting progression to Stage 2 is not recommended to ensure this momentum continues. **This option is not recommended.**

### 3.4 **Land Disposal:**

- 3.4.1 The Council could choose to abandon the approach to the development of the sites, choosing instead to dispose of the 5 sites through sale of the land to private sector developers.
- 3.4.3 While this may provide a capital receipt it would also mean relinquishing control over the development of the sites. This loss could result in the sites being land banked or development of schemes that do not align with the Council's long-term vision for Rotherham town centre and may ultimately undermine efforts to deliver a coordinated and high-quality regeneration programme. It should also be noted that previous attempts to market the Corporation Street site and the development of The Statutes site have failed due to viability challenges. **This option is not recommended.**

## 4. **Consultation on proposal**

- 4.1 Prior to the completion of the 2017 masterplan the Council undertook consultation with communities and in particular young people on the future of the town centre. Feedback reflected the community's desire to feel proud of their town centre, for it to be more exciting, fun and safe.
- 4.2 In 2021 further consultation was undertaken for the production of the Town Investment Plan. Showing further support for the diversification of the town centre residents wanted to see more and better-quality residential uses, particularly along the river side. Additionally, residents commented on the number of abandoned

buildings which created a negative impression to visitors and residents, citing that investment should be made in demolition and refurbishment into diverse uses.

- 4.3 From May to July 2024 the Council undertook a significant consultation exercise focussed on the future of the town centre. Using the Place Standard Tool, a commonly used tool for assessing opinion of a place, over 552 responses were received with many comments received around the need to vary the offer in the town centre and make use of vacant sites and building. All future consultation will aim to build on what has already been collated. Above average scores were received for areas such as moving around, public transport, traffic and parking, suggesting that public perception of these areas is positive. Below average scores were received for areas such as housing and community, work and local economy, care and maintenance and feeling safe suggesting negative views of these areas. The redevelopment of the Strategic Sites will provide a positive impact on these areas of concern.
- 4.4 As the project progresses into Stage 2, subject to approval, a structured programme of consultation and stakeholder engagement will be undertaken to support the refinement of detailed design and master-planning in partnership with the appointed development partner. This will build on the early engagement undertaken at Stage 1 and follow the phased, iterative approach set out within the Strategic Regeneration Proposals (SRPs), ensuring that local intelligence and stakeholder insight are embedded throughout the development process.
- 4.5 Engagement will be undertaken in accordance with the Council's Consultation and Engagement Framework along with involvement from the Council's Communications team and will comprise a coordinated programme of public-facing events, targeted stakeholder workshops, online consultation activity and direct engagement with affected tenants and statutory consultees. Consistent with the approach outlined in the SRPs, this will form part of an ongoing co-design process, enabling residents, businesses and key stakeholders to meaningfully influence the evolution of proposals, including design development, public realm, and wider placemaking priorities.
- 4.6 Feedback gathered through this process will directly inform the preparation of the Full Business Cases and the emerging delivery approach, ensuring proposals reflect local priorities and align with the Council's wider regeneration objectives. The outcomes of consultation will be reported back to Cabinet as part of the Summer 2027 Full Business Case submissions, including a summary of engagement activities undertaken and a clear explanation of how feedback has influenced the proposals for each Strategic Site.
- 4.7 The appointed development partner will be responsible for preparing and delivering a comprehensive Consultation and Engagement Plan, working closely with Council officers. This will reflect the principles set out within the SRPs, including early and continuous engagement, transparency in decision-making and inclusive methods of communication. All consultation activity will be undertaken in line with the Council's policies and guidance, and in liaison with the Corporate Communications team to ensure a consistent and coordinated approach, with all engagement appropriately promoted through the Council's approved channels.

- 4.8 Essential to the progression of Stage 2 is the engagement with the occupiers of two of the identified sites, alongside occupiers of adjacent public house, and users of the remaining sites. While Stage 2 itself does not require any long term works to the sites, some intrusive site investigations will be required. This work will be delivered in a timely, coordinated, sensitive and professional manner, with regular communication maintained throughout, ensuring tenants feel supported, listened to and fully aware of works. This approach will help to sustain positive relationships, minimise uncertainty and disruption, and ensure that the sites can be prepared appropriately in line with future development requirements, subject to further approvals.
- 4.9 The redevelopment of the sites may require the relocation of existing occupiers and termination of leases. All tenants have been contacted by the Council's Regeneration team and engagement continues to ensure full awareness of the proposals and potential implications for their future trading.
- 4.10 Dialogue will continue as the proposals progress, with tenants kept up to date and informed of the process, any potential future implications and the timescales involved. The Council's Property Services Team will lead on future engagement and negotiations with tenants in occupation in respect of any potential future tenancies. This will include ongoing discussions regarding potential relocation options, lease variations or, where necessary, the orderly termination of tenancies to enable redevelopment.
- 4.11 Work has commenced with the Council's RiDO Business Support team regarding potential request for business relocation assistance. The team has confirmed its willingness to support, where required, to ensure a positive interaction and experience for affected tenants should relocation opportunities be pursued.

## 5. Timetable and Accountability for Implementing this Decision

- 5.1 The Rotherham Strategic Development Sites programme provided by the Developer Partner sets out a comprehensive programme for the regeneration of the 5 sites. The programme runs from Cabinet approval in July 2026 to May 2027 and provides a detailed framework for planning, funding, procurement, construction and occupation.
- 5.2 The below table provides an indicative timeline of the expected delivery of the Stage 2 key milestones:

<b>Indicative Timing</b>	<b>Milestone</b>	<b>Description</b>
<b>July 2026 – December 2026</b>	Completion of RIBA Stage 2 Design	Completion of developed design proposals
<b>November 2026 – December 2026</b>	Stage 2 Cost Plan Approved	Preparation and agreement of an updated cost plan reflecting the developed design and identified risks
<b>November 2026 – January 2027</b>	Full Business Case(s) Prepared	Development of Full Business Case(s) to demonstrate

		affordability, viability and value for money
<b>December 2026 – February 2027</b>	Pre-Application Planning Engagement	Formal pre-application engagement with the Local Planning Authority to de-risk the planning process
<b>February 2027</b>	Planning Submission	Submit full planning application followed by finalisation of Full Business Cases
<b>July 2027</b>	Gateway 2 Approval	Cabinet approval sought for the Stage 2 developed design, cost plan and Full Business Case(s), and authority sought to proceed to Stage 3

## **6. Financial and Procurement Advice and Implications**

- 6.1 This report proposes moving to Stage 2 of the Strategic Sites project which will provide full business cases with planning permission to develop the sites and a funding strategy for the work on each site. The estimated cost of this stage, based on information provided to the Council, is £2.42m and further details are provided in appendix 2. This will be subject to negotiation with the Council’s development partner to enter into a Stage 2 contract. The cost is estimated as no contractual agreement has been reached with the developer. The Council will be taking full risk on this expenditure as there is no guarantee that this spend will lead to the development of the sites, which is Stage 3 of the contract.
- 6.2 It is proposed to fund the cost of Stage 2 utilising Local Regeneration Grant (LRG), subject to any remaining funding from Stage 1 being rolled forward, as detailed in appendix 2. LRG is a mix of the Towns Fund, High Streets Fund and Levelling Up Funds provided by the Ministry for Homes, Communities and Local Government (MHCLG) that have been combined to simplify the governance and monitoring arrangements. The fund has spare capacity, as projects that were funded by the LRG have been delivered with a small saving or have sourced additional grant funding, allowing an element of the LRG to be released. The Council has control over how this fund is allocated, though it does need to report outputs and outcomes delivered back to MHCLG. This grant is for capital expenditure, and should this project not proceed to Stage 3, Stage 2 costs will have to be charged to revenue and alternative funding will need to be identified.
- 6.3 The funding model for the scheme hasn’t been seen so it is not known what the cost to the Council will be for the Stage 3 works. As mentioned earlier in the report, it is thought at this stage that three of the sites will be self-funded and not require Council contribution. However, this is before full business cases are completed and planning permission secured which may change the assumed model, meaning Council contributions could be required. The other two sites will require Council capital to complete works. It is also not known what exposure to risk the Council will bear for Stage 3, if, for example, costs increase significantly, the developer is

unable to complete the works or the required levels of sale or rental of property doesn't transpire once built.

6.4 The model for Stage 3 is also to be determined. As well as the funding considerations above, an agreement needs to be reached as to how the land will be developed on, such as through land sale or disposal. This will affect any contribution the Council may need to make.

6.5 At present, two of the sites generate parking income of approximately £100k per year and one the sites rental income of £50k per year. This income will be lost because of this development and must be factored into the Medium Term Financial Position to ensure it is reflected in the Council's budgets.

6.6 The procurement activity undertaken to appoint Capital and Centric was compliant with relevant procurement legislation (namely the Public Contracts Regulations 2015) as well as the Council's own Financial and Procurement Procedure Rules. The scope of the procurement undertaken covered the works for Stage 2 subject to this approval. The full proposed details of the contractual arrangement to be entered into will be covered in the Stage 2 tender evaluation report.

## **7. Legal Advice and Implications**

7.1 The recommendations included in this Report are in accordance with the previous recommendations on this matter and in line with the Council's Constitution.

7.2 Legal Services has been involved in the lead up to this Report in reviewing contractual documentation, procurement processes and preparing title reports in respect of the properties and will continue to be engaged with the process.

## **8. Human Resources Advice and Implications**

8.1 There are no direct HR implications arising from the recommendations in this report.

8.2 Workforce capacity will be monitored through existing management and programme governance arrangements as the programme progresses.

## **9. Implications for Children and Young People and Vulnerable Adults**

9.1 There are no implications for Children and Young People and Vulnerable Adults however, the Council's Placed Based Investment strategy, Town Centre Masterplan and Town Investment plan all makes clear the important role Town Centre Redevelopment will play in creating a town centre that is attractive to all users including young people "by creating a more vibrant, inclusive town centre that works for younger people".

## **10. Equalities and Human Rights Advice and Implications**

10.1 The Equalities Impact Screening Assessment is attached at Appendix 3.

10.2 The initial Equality Screening has been undertaken and has identified no likely adverse impacts at Stage 2, as activities are limited to early technical, design and enabling work. Any potential impacts on protected groups will be assessed in full through a detailed Equality Impact Assessment at later stages, should any of the identified Strategic Sites progress to physical development.

## 11. Implications for CO2 Emissions and Climate Change

11.1 The Climate Impact Assessment is attached at Appendix 4.

## 12. Implications for Partners

12.1 There are no direct implications from this decision on the delivery of services by partners by delivering Stage 2 works. The delivery of the Strategic Sites scheme will be an important catalyst in the town centre to see the continued diversification of its offer. All partners will be included within the consultation programme.

12.2 The Council's approach to the development of the Strategic Sites aims to establish a long-term partnership with a developer which will deliver benefits to the town for generations to come.

## 13. Risks and Mitigation

13.1

Risk Category	Risk Description	Potential Impact	Mitigation Measures
<b>Procurement Risk</b>	Preferred developer may choose not to proceed to Stage 3	Delay to programme and potential need to re-procure	Maintain regular engagement with the developer; ensure commercial terms remain viable and transparent; retain flexibility within the procurement strategy for Stage 3 to enable alternative delivery options if required Appoint an Employer's Agent to support the Council through robust challenge and analysis.
<b>Delivery Risk</b>	Site viability affected by findings from ground investigations	Increased costs, redesign requirements or sites becoming undeliverable	Early and comprehensive site investigations; allowance for contingency within cost plans; review

	Issues achieving vacant possession of land	Delays to programme causing potential cost increases	<p>scope and phasing options to maintain deliverability</p> <p>All land is in Council ownership with 2 sites subject to a lease. Early engagement with leaseholders and careful management by the Council's Estates Team will ensure vacant possession is timely.</p>
<b>Financial Risk</b>	<p>Cost viability challenges and/or failure to secure gap funding</p> <p>Developer does not proceed with development proposals post stage 2</p>	<p>Funding gap and inability to progress development – this risk being greater for Corporation Street &amp; Snail Yard</p> <p>The £2.42m investment by the Council has not achieved a deliverable scheme with the selected partner as intended</p>	<p>Ongoing cost monitoring and value engineering; alignment of programme and business case with funding criteria</p> <p>Early appointment of an Employer's Agent to act on behalf of the Council to ensure robust scrutiny and challenge of every stage of the development appraisal and viability assessments</p> <p>The £2.42m investment will provide a plan for 5 schemes with a Full Business Case for each along with planning approved designs. The Council would then be able to utilise these FBC's</p>

			and approved plans to formulate new delivery plans and finance strategies with programme delay being the only consequence.
<b>Reputational Risk</b>	Public consultation raises expectations that proposals may not be realised	Loss of trust from stakeholders and local communities	Clear and transparent communication; manage expectations by emphasising the early-stage nature of proposals; ensure consultation messaging is proportionate and accurate
<b>Programme Risk</b>	Delays arising from developer design progression or internal governance approvals	Slippage against agreed programme and funding timescales	Clear programme governance; regular progress monitoring; early scheduling of internal approvals and decision points; escalation of delays where required. Scrutiny by the Council's appointed professional team.  Programme progression will be a standard item within regular meetings to ensure early intervention should potential issues be identified.

13.2 These risks are being and will continue to be mitigated through ongoing engagement with the developer and funders, early and comprehensive site investigations, robust cost monitoring and value engineering, clear and proportionate communication with stakeholders, and strengthened programme governance and monitoring arrangements.

- 13.3 The procurement process ensured robust scrutiny of the bidders experience and knowledge ensuring that the most suitable developer was selected. The developer has significant demonstrable experience of delivering similar schemes within town centres of similar character and could demonstrate a track record that gave comfort on their ability to overcome the challenges of the Council's Strategic Sites.

#### 14. **Accountable Officers**

Lorna Vertigan, Head of Regeneration

Approvals obtained on behalf of Statutory Officers: -

	<b>Named Officer</b>	<b>Date</b>
Chief Executive	John Edwards	19/06/26
Executive Director of Corporate Services (S.151 Officer)	Judith Badger	18/06/26
Service Director of Legal Services (Monitoring Officer)	Phil Horsfield	18/06/26

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