

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Town Centres
2.	Date:	29 November 2010
3.	Title:	Weirside (formerly Westgate Demonstrator Project - Site 4), Rotherham Town Centre Boston Castle Ward 2
4.	Directorate:	Environment & Development Services

5.0 Summary

- 5.1 This report updates Members on the position with regard to the redevelopment of the Weirside site and requests consideration of options to market the site for disposal and redevelopment by the private sector.

6. Recommendations

That the Council's position with regard to previously reported and approved development proposals for the site to create high quality public realm and under croft car parking is noted.

That Cabinet Member revokes the resolution by Cabinet Member for Economic Development, Planning and Transportation, 2 November 2009, with regard to the proposal for public realm and under croft parking.

That the site is marketed by the Strategic Director of Environment and Development Services on the basis of an advisory development brief (Option 2).

That the Director of Legal and Democratic Services secures defective title indemnity insurance.

7.0 Background Information

- 7.1 Members will be aware that this site was an integral part of the Westgate Demonstrator Project (WDP) - one of the key regeneration schemes in the Town Centre for the Council and Developer Partner, Iliad.

The initial WDP development proposals for this site included for the provision of residential accommodation. Due to the current economic climate, the property market collapse and the lack of user demand, the ability to deliver and dispose of this type of development has been hindered.

As a result both the Council and Iliad have acknowledged that the site is an 'Abortive Site' under the WDP Development Agreement (dated 10 November 2006) and the development proposals are not viable. Consequently Iliad has surrendered all rights and responsibilities in connection with the site and the Council is now free to deal with or develop the site as it sees fit.

- 7.2 Previously reported and approved development proposals:

On the 2 November 2009 this site was considered by Cabinet Member for Economic Development, Planning and Transportation.

Following presentation of this report to Members it was resolved to approve RERF capital funding to develop and construct undercroft parking within the void beneath public realm works proposed on the site. The public realm proposal was referred to as the 'deck of cards'. At the time funding from Yorkshire Forward was approved to deliver the public realm. Revenue generated from parking charges was to fund ongoing maintenance of the car park and surrounding public realm.

Subsequent to these proposals Yorkshire Forward capital funding for the public realm works has been 'deferred' and RERF funding has been withdrawn and vired to support purchase of land for the community Stadium. The proposals to deliver both the public realm and the undercroft parking have, therefore, been abandoned.

Cabinet Members are therefore requested to revoke the resolution of the Cabinet meeting of the 2 November 2009.

- 7.3 General information:

The Weirside site comprises an area of 0.3hectares (0.73 acres).The boundary is shown edged black on the plan in Appendix 1. The majority of the site is currently used as a surface pay and display car park. The site area also includes the former Lloyds Bank property on Corporation Street.

The Council has freehold title to all the land highlighted in Appendix 1. However, there are encumbrances and covenants specified in the title but these should not prevent development on the site.

The site has a land use allocation for retail, commercial, residential and office space with the requirement for high quality public realm as public open space.

- 7.4 In order to re-stimulate development interest in this area of the Town Centre and maintain the momentum of the successful Westgate Demonstrator Project developments at Imperial Building, Old Market and Keppel Wharf it is proposed to 'test' the current market and assess any interest in the future development of this site. To enable this, the following options for disposal and marketing need to be considered.

8.0 Potential Disposal and Marketing Options:

8.1 Option 1:

The site could be placed on the open market without restriction and a capital receipt obtained. This may produce a receipt for the medium term capital programme but does not further the objectives of the Rotherham Renaissance agenda.

8.2 Option 2:

The site could be placed on the open market with an advisory development brief which would consider any use within the Local Development Framework and Design Code for Rotherham Town Centre river corridor.

Initial expressions of interest for the purchase and development of the site would be sought prior to inviting offers by informal tender. Following the submission of expressions of interest, the short listing of prospective purchasers will be entirely at the discretion of the Council.

In order to protect the value of adjacent land which the Council has an interest in (Old Market, Keppel Wharf and access to Market Street), a restrictive covenant on any purchasers' title to provide high quality public realm should be considered as part of any land sale agreement. Any proposals would be subject to approval by the Council.

It would be anticipated that no specific obligations to develop the site would be imposed on a purchaser; therefore the development of the site would not attract the need for OJEU procedures.

8.3 Option 3:

The site could be developed by the Council itself in accordance with the Rotherham Renaissance agenda. Any development project would be subject to funding; however at this time funds are not available.

9.0 Finance

- 9.1 Subject to Member approval to market and dispose of the site, an application for RERF revenue funding would be made to cover advertising costs and professional fees. Where available all services would be procured 'in-house' within the Council.

10.0 Risks and Uncertainties

- 10.1 A capital receipt from the sale of this site, if sold, may be forthcoming but market conditions can change resulting in a higher or lower receipt.

Should the Council seek to control the emerging proposals for redevelopment then this will influence the value of the site.

Should the marketing of the site not produce any interest for development from the private sector, the site will remain undeveloped with its current uses until market forces change.

11. Policy and Performance Agenda Implications

- 11.1 The redevelopment of the site will contribute to the 'Rotherham Achieving' and 'Rotherham Proud' themes of the Community Strategy by:

Providing an excellent town centre through the delivery of the Town Centre Renaissance in a way that will stimulate and retain investment.

Improving the perceptions of both the general public and visitors by raising the profile and image of the Town Centre to support economic regeneration.

12. Background Papers and Consultation

- 12.1 Appendix 1 Site plan.

- 12.2 Members were consulted and approved the delivery of the Westgate Demonstrator Project master plan which included proposals for Weirside (Site 4) as follows:

- Delegated Powers, 2 March 2005, HMRP – Westgate Demonstrator Project.
- Property Board, 16 March 2005, HMRP – Westgate Demonstrator Project.
- Regeneration Board, 13 April 2005, HMRP – Westgate Demonstrator Project.
- Cabinet Member for Economic Development, Planning and Transportation – 2 November 2009, Under Croft Car Park, Site 4 Westgate Demonstrator.

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