

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 20 January 2020

Report Title

Swinton Town Centre Redevelopment: Preferred Proposal and Developer Appointment

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

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

Lorna Vertigan, Senior Programme Manager
07880 480279

Ward(s) Affected

Swinton

Report Summary

This report provides an update on the outcome of the procurement process and summarises the preferred option for the redevelopment of part of Swinton town centre. It outlines the implications for the Council and recommends endorsement of the preferred option and appointment of the successful bidder.

Recommendations

1. That Cabinet endorse the preferred proposal (option 1) and the appointment of the successful bidder.
2. That authority be delegated to the Council's Property Officer, in consultation with the Strategic Director of Finance and Customer Services, the Head of Legal Services and the Cabinet Member for Jobs and the Local Economy, to agree any land disposal required, the appointment of the preferred bidder and finalise the development agreement.

List of Appendices Included

Appendix 1 Equality Analysis

Appendix 2 Exempt Appendix: Swinton Proposal: Preferred Option

Background Papers

Swinton Development Brief

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

An exemption is sought for Appendix 2 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 sensitive information relating to the preferred bidder and their proposal.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because the Council's commercial interest could be prejudiced by the disclosure of this commercial information.

Swinton Town Centre Redevelopment: Preferred Proposal and Developer Appointment

1. Background

- 1.1 Swinton town centre previously consisted of several public service provisions as well as independent and national retailers. Over the last few years various services have been relocated and buildings demolished leaving a cleared site which needs redevelopment. The community facilities are well used but the buildings are dated and difficult to access. A regeneration proposal was sought and is now presented to bring about a community focussed redevelopment of the town centre alongside new family housing provision.
- 1.2 A report was presented to Cabinet in December 2018 where Cabinet approved the following:
 - That aims and objectives for the redevelopment of Swinton Town Centre as set out at section 2 of the report be approved.
 - That an OJEU compliant procurement process be approved to be undertaken in accordance with Rotherham Council's Contract Procedure Rules and Domestic and European Procurement Law.
 - That Option 2 be approved as set out at paragraph 4.2 of the report. This option foregoes an amount of capital receipt to the Council in order to achieve regenerative benefits to the Community and the Council in relation to the redevelopment.
 - That a further report be submitted following the evaluation of the tender submissions received, which recommends the endorsement of the preferred proposal and any approvals required for the disposal of land and property.
- 1.3 The report cited a return to Cabinet recommending the endorsement of the preferred proposal and any approvals required for the disposal of land and property.
- 1.4 A formal tender was issued to the market in May 2019 requiring organisations to submit their proposals to meet the Council's development brief.
- 1.6 In consultation with the multi-disciplinary Evaluation Team and the successful bidder (a consortium made up off the Vesta Group, Quest Property and Conroy Brook), a preferred option has been presented which meets the requirements of the brief. The preferred option is provided at exempt Appendix 2.
- 1.7 The preferred option meets the requirements of the brief by providing a revitalised town centre through new housing and community facilities. In summary the preferred option includes the following:
 - Community facilities are provided in the form of a refurbished Civic Hall and café plus the library relocated to the refurbished former customer service centre.
 - The public realm and accessibility is improved through a significant landscaping scheme which opens up the site improving visibility of the shops and community facilities, safety and accessibility.

- The existing parade of retail premises receives an upgrade to the external façade.
- There is an option for a pop-up/modular building on the former library area which could accommodate other uses (e.g. restaurant).

2. **Key Issues**

2.1 Viability

The land value achieved through the sale of houses on the rear of the site facilitates the creation of the community facilities at the front of the site. Land values in the area are low which limits what can be achieved.

- 2.2 An initial development appraisal has been produced and will be finalised as the detailed designs progress. The project team will work alongside the developer to monitor the viability of the scheme and ensure the project remains within the funding envelope determined by the land value.

2.3 Community Hub

The procurement brief suggested the provision of a community hub in one building to accommodate both the civic hall facilities and library. This was explored by the preferred bidder but was cost prohibitive. Both Facilities Management and Library Services have been consulted and agree that the detrimental effect caused by the cost of providing either a new or extended building to the public realm, accessibility and general regeneration of the town centre is too significant to recommend.

3. **Options considered and recommended proposal**

- 3.1 Following the completion of the evaluation and dialogue process the following options were considered:

Option 1: Endorse the preferred proposal and the appointment of the preferred bidder in line with the approved procurement process as the requirements of the development brief have been fulfilled.

Option 2: Reject the Developer's proposal and the appointment of the preferred bidder. This would leave the Council without a scheme to take forward and further consideration would need to be taken about the options available for this site.

- 3.2 Option 1 is recommended.

4. **Consultation on proposal**

- 4.1 A multi-disciplinary Evaluation Team was established consisting of Council officers representing, Planning, Strategic Housing, Facilities Management, Building Design and Transport. The team were responsible for the development brief and the method statement questions posed, and then subsequently evaluating the bidder's responses. The Council's Corporate Procurement Team have been involved and facilitated the process throughout giving advice and support where required.

- 4.2 Library Services and Neighbourhood Co-ordinators were brought in during the open dialogue with the bidder and have contributed to the formation of the preferred option.
- 4.3 Ward Members have been consulted on the development brief and the preferred bidders proposals.
- 4.4 Once formally appointed the preferred bidder proposes to hold briefing sessions for the local community to view and comment upon the proposals. Comments will also be offered as part of the planning process.

5. Timetable and Accountability for Implementing this Decision

- 5.1 A draft Development Agreement was included within the Tender Documentation issued to market. The Council and the preferred bidder have discussed the agreement and will aim to sign as soon as the Cabinet process is concluded at the end of January 2020.
- 5.2 The Council will support the preferred bidder in the submission of an outline planning application to open formal dialogue on the proposed scheme.
- 5.3 Following formal approvals and subject to planning a potential start on site in Spring 2020 is potentially achievable.

6. Financial and Procurement Advice and Implications

- 6.1 The Corporate Procurement Team support the recommendations made in this report. All procurement activity has been undertaken in compliance with the Public Contracts Regulations 2015 and the Council's own Financial and Procurement Procedure Rules.
- 6.2 The redevelopment opportunity offered was for two sites, one a vacant Council owned site proposed for residential development and the other the existing Council buildings in Swinton Town Centre. The site was fronted by Council owned retail and residential units and community facilities, the rear of the site was vacant. The vacant element was suitable for housing and the development of this land offered the opportunity to bring forward improvements to the Council owned assets without financial commitment from the Council apart from forgoing potential capital receipts.
- 6.3 The development value of the scheme is £8.4m. The scheme as submitted is financially viable, with the works to the community facilities being funded by residential sales. Any downturn in house prices will impact on the viability of the scheme. Other than forgoing of capital receipts there is no financial commitment from the Council.
- 6.4 Subject to confirmation that the financial case for the scheme delivers the Council's preferred outcomes then the scheme can be approved under delegation.

6.5 **Long Term Maintenance Costs**

An existing budget of £700 p/a has been identified and will be used to maintain the public realm long term. Any additional maintenance costs will be identified within existing budget savings.

7. **Legal Advice and Implications**

7.1 Other than already detailed in this report there are no additional legal implications arising from this report.

8. **Human Resources Advice and Implications**

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

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

9.1 The new enhanced community provision will increase services to the entire community, in particular young families, the elderly and other vulnerable adults by allowing the existing community work to continue and flourish.

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

10.1 The new community facilities will be a benefit for the whole community and as such has implications. An Equality Assessment has been completed.

11. **Implications for Ward Priorities**

11.1 The preferred proposal provides enhanced public realm and a new children's play area.

11.2 The preferred proposal provides refurbished community facilities in both the library, civic hall and local café.

11.3 Redesign of the town centre has taken into consideration hotspots for Anti-Social Behaviour and seeks to tackle these through re-design.

12. **Implications for Partners**

12.2 The regeneration in general will bring about improvements in the economy of the area by introducing a new population and creating better facilities for the existing and new community. A reduction in Anti-Social Behaviour may arise through improved street scene.

13. **Risks and Mitigation**

13.1. The credibility and financial standing of the bidder consortium has been assessed by the Head of Finance (Regeneration & Environment) and team and is considered satisfactory. This mitigates the risk of the developer being unable to deliver the scheme.

- 13.2 The scheme is on the cusp on being viable due to the low land value and the requirements of the Council to provide community facilities and improved access and public realm. The Council will support the bidder in applications for additional funding to facilitate the development.
- 13.3 The team will support the bidder through the pre-application process seeking to mitigate any planning risks.

14. Accountable Officers

Simon Moss, Assistant Director, Regeneration & Environment
Paul Smith, Head of Asset Management

Approvals obtained on behalf of Statutory Officers:-

| | Named Officer | Date |
|--|----------------------|-------------|
| Chief Executive | Sharon Kemp | 05/01/20 |
| Strategic Director of Finance & Customer Services (S.151 Officer) | Judith Badger | 02/01/20 |
| Head of Legal Services (Monitoring Officer) | Bal Nahal | 23/12/19 |

Report Author: Lorna Vertigan, Senior Programme Manager
07880 480279 or lorna.vertigan@sheffieldcityregion.org.uk

This report is published on the Council's [website](#).