

Committee Name and Date of Committee Meeting

Cabinet – 19 September 2022

Report Title

Strategic Acquisitions

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, Strategic Regeneration Manager

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Ward(s) Affected

Boston Castle

Report Summary

This Report seeks to set out the proposed use of the £1million Strategic Acquisitions Fund that was approved by Council in March 2021 for the Capital Programme and spend within the Towns Fund (as reported to Cabinet in March 2022).

Recommendations

1. That the Assistant Director for Planning, Regeneration and Transport be authorised to negotiate the acquisition by agreement of the property interests at sites 1a, 1b and 2 at exempt Appendix 1 (principally through Government grants and the Council's Strategic Acquisitions Fund), in consultation with the Council's Section 151 Officer and the Cabinet Member for Jobs and the Local Economy, and the Assistant Director of Legal Services be authorised to complete the necessary transactions
2. Should negotiation on any site in exempt Appendix 1 prove to be unsuccessful, the purchase of the alternative sites as identified in Appendix 1 will be progressed as approved by Cabinet in March 2022. That the Assistant Director for Planning, Regeneration and Transport be authorised to negotiate the acquisition by agreement of the property interests at sites in Appendix 1, in consultation with the Council's Section 151 Officer and the Cabinet Member

for Jobs and the Local Economy, and the Assistant Director of Legal Services be authorised to complete the necessary transactions.

List of Appendices Included

- Appendix 1 Property List (Exempt)
- Appendix 2 Equalities Impact Assessment
- Appendix 3 Carbon Impact Assessment

Background Papers

[Budget and Council Tax 2021/22 and Medium Term Financial Strategy](#)

[Strategic Acquisitions report to Cabinet March 2022](#)

[Town Investment Plan](#) (redacted version)

[Rotherham Town Centre – Levelling Up Application](#)

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

Regeneration Programme: Strategic Land Assembly

1. Background

- 1.1 Rotherham Council is embarking on its most significant regeneration opportunity following the securing of major public sector investment. The impact of this programme will bring benefits across the entire Borough and the community of Rotherham.
- 1.2 The Council has secured over £70m from the Department for Levelling Up, Housing & Communities through the Town Deal and Levelling Up Fund. This comes in addition to the £12.6m from the Future High Streets Fund.
- 1.3 In addition to this central government funding, the Council has set aside £1m of its own capital to acquire strategically located land and property. Together this funding will enable the Council to develop and deliver a comprehensive programme of regeneration across the Town Centre and the Borough as a whole.
- 1.4 This Report addresses the need for public sector intervention to acquire land and property owned by the private sector which is required for the regeneration of Rotherham by delegating powers necessary to negotiate and acquire key strategic sites.
- 1.5 In March 2022, a report was presented to Cabinet seeking approval to acquire a number of properties to facilitate Rotherham's ongoing regeneration programme. A further two properties are now required for the implementation of the Town Deal programme. These properties are identified as 1a and 1b in Appendix 1.
- 1.6 The March report sought approval to negotiate acquisition of sites 3 & 4 in exempt Appendix 1 but did not specify a funding source. Since March, successful negotiations on surrounding land has led to the proposal to allocate the Council's £1m Strategic Acquisition Fund to the acquisition of these properties.
- 1.7 A further property, identified as 2, in exempt Appendix 1 is also proposed for acquisition with the Strategic Acquisition Fund.
- 1.8 Should negotiation on properties 2,3 or 4 prove to be unsuccessful alternative sites for acquisition are identified in exempt Appendix 1 and will be considered for the Strategic Acquisition Fund in consultation with the Strategic Director for Regeneration & Environment, Council's Section 151 Officer and the Cabinet Member for Jobs and the Local Economy.

Rotherham Town Centre

- 1.9 The town centre is currently home to a number of vacant, abandoned and derelict buildings and acquisition and public sector control of privately owned properties is a route to deliver on the Town Centre Masterplan ambitions.

- 1.10 The properties identified as Site 1a and 1b in Appendix 1 are required for the continued development of an improved leisure offer in the town centre. A scheme has been identified and funded through the Town Deal and will bring a new leisure offer to the town.
- 1.11 Site 2 is a building which has lacked a secure future for many years. Bringing this building into public sector ownership will secure and open up the opportunity for its future use.
- 1.12 Sites 3 & 4 have previously been identified for acquisition and will continue development at the Riverside Residential Quarter and Leisure & Culture Quarter.

Funding

- 1.13 A £1m 'Strategic Acquisition Fund' was set aside in the 2021/22 budget setting as part of the Capital Programme to allow the Council to react to acquisition and development opportunities swiftly and positively as and when they may arise and to support regeneration, housing and economic recovery. This approach aimed to give the Council the ability to consider a much longer-term view of acquisition.
- 1.14 Having secured additional Government funding and progressed with various landowner negotiations it is recommended the £1m is used for the acquisition of Sites 2, 3 and 4 described in Appendix 1.
- 1.15 Early negotiation has begun on the properties identified in Appendix 1, however should this prove to be unsuccessful an option is sought to utilise the Strategic Acquisition Fund to acquire alternative sites as identified in the March 2022 Cabinet report and referred to in Appendix 1.
- 1.16 Sites 1a and 1b are identified to bring forward a Town Deal funded scheme to bring a new leisure use to the Town Centre. Although it is anticipated acquisition will fall within the Town Deal budget alternative funding opportunities may be explored and used if necessary as set out in 6.2.

2. Key Issues

- 2.1 Strategic acquisitions are necessary to bring privately owned land into the control of the public sector and deliver the regeneration programme. Careful consideration has been given to which acquisitions should be prioritised based on their strategic importance, state of repair and potential for the private sector to bring forward development.
- 2.2 The timescales imposed by the secured funding and the requirement of public sector partners require the Council to move at pace and, considering the quantum of sites for acquisition, it is considered appropriate that Cabinet consider approving the overall acquisition of the Freehold and Leasehold interests in the land and properties identified, whilst the Assistant Director for Planning, Regeneration and Transport, in consultation with the Section 151

Officer and the Cabinet Member for Jobs and Local Economy, negotiates the terms and conditions including the price.

3. Options considered and recommended proposal

3.1 Consideration has been given to entering into partnership arrangements with landowners rather than taking full control of the land. In progressing negotiations, this approach will be considered on a project by project basis, however in many cases, and as understood through early consultation, landowners do not always wish to bring forward schemes fitting with masterplan ambitions, or development is not in the core business of the land owners.

3.2 Do nothing is not a recommended option, considering the Council's ambitious plans for economic growth and regeneration in the Borough.

4. Consultation on proposal

4.1 Where appropriate, affected landowners have been consulted and are fully aware how their land is vital to the pursuance of the regeneration of Rotherham. In most cases, the first stages of negotiation have begun.

4.2 Consultation and communications on the regeneration programme have taken place over the course of the development of funding bids and the programme itself. Specific consultation on project proposals will take place over the coming year.

5. Timetable and Accountability for Implementing this Decision

5.1 Landowners are keen to see progress on negotiation and acquisition expediated in a timely manner. The Council are prepared to move at pace following this Cabinet report.

5.2 Levelling Up monies are profiled for spend by March 2024 and Town Deal by March 2025.

5.3 Implementation of decisions to acquire property interests would see Delegated Officer Decisions being brought forward over the lifetime of the funds as agreements are reached.

5.4 Should officers be unable to reach agreement, or fail to reach agreement within the funding timeframes, further reports will be presented to Cabinet in line with project programmes.

5.5 Accountability for the implementation of the decision and negotiations will be led by the RIDO team with support from external consultants and the Council's Estates Team.

6. Financial and Procurement Advice and Implications

- 6.1 The acquisition of land falls outside the scope of procurement legislation and as such there are no procurement implications associated with the recommendations detailed in this report.
- 6.2 The relevant funding for the Capital acquisitions is provided from three sources. Sites 1a and 1b principally from the government Towns Deal grants, Levelling Up funding and the Council's Strategic Acquisition Fund. The Town Deal projects are progressing in line with the terms agreed with government. It is proposed the Property 2, 3 and 4 acquisition also be funded from the Council's Strategic Acquisitions fund in the Capital Programme.
- 6.3 After acquisition there are revenue implications for long term property holding. Where possible property 1a and 1b costs will be managed within the terms of the government grant. For properties 2, 3 and 4 the liability of the holding costs will create an additional budget pressure on the Council's existing corporate property budgets. These budgets are currently forecast to overspend for 2022/23 due in the main to delayed delivery of planned budget savings. In order to mitigate the financial impact of these new strategic acquisitions, it is therefore vital that the Council's delivers the planned budget savings in this area.

7. Legal Advice and Implications

- 7.1 There are no substantive legal issues arising from the content of this report other than as detailed in the report.
- 7.2 Legal Services is liaising closely with RIDO and the Council's Estates team to offer advice during the course of negotiations and will consider the terms of each individual transaction once these have been agreed on a case by case basis.

8. Human Resources Advice and Implications

- 8.1 There are no direct human resource implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no direct implications arising from this report

10. Equalities and Human Rights Advice and Implications

- 10.1 Appendix 2 provides information of the Equalities Assessment process.
- 10.2 Full assessments are being carried out in the preparation of Full Business Cases.

11. Implications for CO2 Emissions and Climate Change

- 11.1 As set out in the Carbon Impact Assessment at Appendix 3 there are not considered to be any direct impacts from the acquisition of properties.
- 11.2 CO2 emissions and climate change is being considered in the development of each of the projects and captured in Full Business Cases.

12. Implications for Partners

- 12.1 There are no implications anticipated from these acquisitions.

13. Risks and Mitigation

- 13.1 Full risk registers will be developed on a project by project basis and included in project Business Cases.
- 13.2 A programme wide Risk Register has been developed and is regularly monitored through the Regeneration Programme Board.
- 13.3 Delays and/or increased costs result in the inability to deliver regeneration due to the unwillingness of third parties to engage, including absent landlords, owners and occupiers. Early engagement with owners is now underway.

14. Accountable Officers

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

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	05/09/22
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	30/08/22
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	31/08/22

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