

Public Report with Exempt Appendices
Cabinet

Committee Name and Date of Committee Meeting

Cabinet – 07 August 2023

Report Title

Dinnington Project: Capital Regeneration Grant

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)

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Ward(s) Affected

- Dinnington

Report Summary

At Spring Budget 2023 the Government allocated £19,990,111 Regeneration Grant to Rotherham Council in respect of the 'Principal Areas of Growth' Levelling Up bid. This funding will be directed toward major projects in Wath and Dinnington.

A report setting out the use of £8,940,564 for the Wath Project was approved at 10th July Cabinet. This report seeks approval to develop a programme of works using the remaining £11,049,547 of the grant to deliver investment in Dinnington.

Recommendations

That Cabinet: -

1. Approve an allocation of £11,049,547 to the Dinnington project from the Principal Areas of Growth allocation.
2. Agree to the development of 'Principal Areas of Growth' projects in Dinnington with further detail provided to Cabinet before commencement of the Scheme.
3. Delegates the commissioning of the design of the project based on the parameters in section 2.2 to the Strategic Director for Regeneration and the Environment in consultation with the Cabinet Member for Jobs and the Local Economy and the Section 151 Officer.

4. Approve that the Assistant Director for Planning, Regeneration and Transport be authorised to negotiate and agree the acquisition by agreement of the property interests at exempt Appendix 1, in consultation with the Council's Section 151 Officer and the Cabinet Member for Jobs and the Local Economy.
5. Approve to grant a Resolution in Principle to investigate the use of Compulsory Purchase Order powers: in the event that terms cannot be agreed in relation to all or any of the property interests, or cannot be agreed within the prescribed timeframe. A further report to be submitted to Cabinet seeking a formal resolution to acquire those property interests through the exercise of the Council's Compulsory Purchase Powers.

List of Appendices Included

Appendix 1: Red Line Boundary & Property List: Exempt
Appendix 2: Initial Equalities Screening Assessment
Appendix 3: Carbon Impact Assessment

Background Papers

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

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 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.

Dinnington: Principal Areas of Growth Levelling Up Project

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 being unsuccessful in both rounds, at the Spring 2023 budget Rotherham's proposals were allocated £19,990,111 as one of 16 places to receive part of the £200m additional funding for left behind places and in recognition of the high quality bid submitted.

1.1.2 The Principal Areas of Growth package of projects aim to transform two prominent sites within Rotherham's principal settlements at Wath-Upon-Dearne 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.

2. Key Issues

2.1 A Memorandum of Understanding (MOU) has been signed between the Council and The Department for Levelling Up, Housing and Communities setting out the terms, principles and practices that will apply regarding administration and delivery of this funding.

The MOU sets out:

- that the funding will cover activities up until the end of the financial year 2025-2026;
- branding and communication.
- monitoring and evaluation including spending, planned spending, updates, procurement, governance, and case studies
- Assurance; and
- The change process.

2.2 Dinnington Proposed Scheme

2.2.1 Developed in conjunction with Ward Members, Dinnington St John's Council and the MP for Rother Valley, 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.

2.2.2 The Dinnington project aims to enhance the blighted town centre along Laughton Road, redeveloping the area into a new purpose-built town square with an improved public realm. The relevant area is shown within the red line boundary plan in Appendix 1. The development is proposed to include a new and improved commercial offer, a revitalised outdoor market and improved connectivity seeking to increase footfall on the high street.

2.2.3 The site currently comprises burnt-out buildings fronting the high street, an ageing mid-century shopping parade, a disconnected outdoor market, and a collection of dilapidated and underused buildings. The layout and condition of the site make it an unattractive and occasionally unsafe key route between the car parks, bus station, residential areas, and the high street. It has therefore been identified as a key factor in poor perceptions of the area and reduced trips to the town centre particularly in the evenings.

2.2.4 The regeneration of Dinnington as a destination will be launched through the redevelopment of this site through a new commercial square which will seek to draw visitors to the town centre. The grant funding will enable crucial strategic land assembly of the blighted site and redevelopment into a purpose-built town square with commercial space linked to an improved public realm to create a vibrant destination. Furthermore, the creation of an improved contemporary market space and public realm will improve the street scene while preserving the traditional market town culture. Redesign of the site will allow for the prioritisation of clear, connected pedestrian routes to improve connectivity from the car parks, bus station and surrounding residential areas and enhance natural surveillance.

2.3 Project Development & Implementation

2.3.1 This report to Cabinet seeks approval to develop and implement the Dinnington proposals, including design, survey, and cost assessments. Development of proposals is due to take place over the next 6-12 months. Negotiation and acquisition of property will take place during this period.

2.3.2 A further report detailing how the project will be implemented will be presented to Cabinet prior to any commencement on site, providing the outcome of this design phase and seeking approval for the next stages, including the project outputs, costs, timescales, and delivery methodology.

2.4 Governance

2.4.1 A condition of the MOU is the establishment of an external Board to oversee delivery.

2.4.2 The project will be subject to the Council's own capital monitoring, assurance and in line with governance processes.

2.4.3 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.

2.5 Resourcing

- 2.5.1 Project development and delivery will be led by the RIDO team with support from the multi-disciplinary consultancy team led by AHR Architects and the Council's Asset Management Service. Support from services including Legal, Finance, Culture, Sport and Tourism and Procurement will be required.

2.6 Funding Implications

- 2.6.1 Capital funding is provided by the Regeneration Grant. The grant totals £19,990,111 out of which this £11,049,547 is allocated to the Dinnington project.
- 2.6.2 Revenue implications will be explored through this project development phase, reported through business cases and to Cabinet prior to project implementation.

2.7 Land Assembly

- 2.7.1 Lack of public sector control over land and assets is a key risk to the delivery of regeneration and redevelopment projects and this risk factor does apply in Dinnington.
- 2.7.2 This project includes land owned and controlled by numerous private interests. In order to carry out the regeneration plans it is essential that the Council acquires the various parcels of land within the red line boundary plan and completes the assembly of the whole site.
- 2.7.3 In preparation for the bid in 2022, and in anticipation of a grant award, initial contact has been made with landowners and interested parties.
- 2.7.4 This report seeks the necessary approvals to negotiate and acquire land as necessary.

3. Options considered and recommended proposal

- 3.1 A number of scheme options were presented to Ward Members and Dinnington St Johns Council in the run up to the bid submission in June 2022. These included a community led youth focussed provision and reduced acquisition options. The preferred option as outlined in this report was supported by Government and the outputs replicated in the MOU. Any variation from the option would require Government support and accordingly no other options are recommended.

4. Consultation on proposal

- 4.1 The Government supported scheme was developed in conjunction with Dinnington Ward Members, Dinnington St Johns Council and the MP for Rother Valley who supported the proposed scheme from a variety of options that were presented.

4.2 Public engagement will continue to take place in partnership with Ward Members and Dinnington St Johns Council as the project develops.

5. Timetable and Accountability for Implementing this Decision

5.1 Project development including design, surveys and public engagement will take place over the next 6-12 months.

5.2 Negotiation and acquisition of property will take place throughout this period.

5.3 Work is expected to start on site August 2024, starting with demolition of the burnt-out building.

5.4 In line with the funding deadline, the development is expected to complete in March 2026.

6. Financial and Procurement Advice and Implications

6.1 There are no procurement implications associated with the funding allocation as defined at recommendation 1.

6.2 In response to recommendation 3, where external support to develop the scheme proposals is required, the multi-disciplinary consultancy led team through AHR Architects is an arrangement that has been compliantly procured, so there are no procurement implications associated with this approach. If external support is required outside of this arrangement, and once the project moves to identify a contractor for delivery, these must be procured in compliance with the Public Contracts Regulations 2015 (as amended) and the Council's own Financial and Procurement Procedure Rules.

6.3 In response to recommendations 4 and 5, these are property/land related transactions which fall outside the scope of procurement, so no direct implications.

6.4 In the spring Budget announcement March 2023, the Council was awarded £19,990,111 for its Levelling Up Funding bid 'Principal Areas of Growth'. The bid was for funding to support two major regeneration projects across Wath and Dinnington. Of this £11,049,547 is proposed to be earmarked for Dinnington. As the project is worked up consideration will need to be given as to how the revenue implications of the project proposal will be financed. These implications will need to be set out in the report back to Cabinet when the specific details of the programme of works are known as per recommendation 2. The purchase of land/property needs to be planned in line with the procurement of the final scheme to ensure it is deliverable within the funding available.

7. Legal Advice and Implications

7.1 In relation to the allocation of the funding and compliance with the Subsidy Control Act 2022, the funding will be a lawful subsidy as the funded activities

(development of town centre) comply with the principles under the Subsidy Control Act 2022. The funding will not be a subsidy in the hands of existing freeholders of the centre as the land will be acquired on market terms with reference to property value estimates prepared by a suitably qualified third party. Again, the funding will not be a subsidy in the hands of tenants as they will pay rent on market terms and there will not be a subsidy in the hands of contractors/consultants as they will be engaged on market terms.

7.2 In relation to the potential use of CPO powers, section 226 of the Town and Country Planning Act 1990 (TCPA 1990) authorises local authorities to compulsorily purchase land if the authority thinks that the acquisition will facilitate the development, redevelopment or improvement of land, or acquisition is required in order to achieve the proper planning of an area. If it proves necessary to exercise these powers a further report will be brought to Cabinet setting out more specific information as to the relevant properties and their relation to the regeneration scheme.

7.3 The contracts for the relevant works required by the project will be procured in compliance with the Public Contracts Regulations 2015 (as amended) and appropriate contracts concluded with the selected contractors.

7.4 Section 9D of the Local Government Act 2000 requires that all functions of a local authority are the responsibility of the executive unless otherwise specified in regulations. The discharge of functions in relation to the project set out in the report are not specified within regulations as to not be functions of the executive. Therefore, this is an executive power to be exercised by the Cabinet.

8. Human Resources Advice and Implications

8.1 Resourcing for project development and delivery is noted within section 2.5.

9. Implications for Children and Young People and Vulnerable Adults

9.1 There are no direct implications for children, young people or vulnerable adults arising from this report.

10. Equalities and Human Rights Advice and Implications

10.1 An initial Equality Screening Assessment has been carried out on this programme of work and is attached as Appendix 2 to this report. Further detail and a full assessment will be carried out as the project is developed and reported back to Cabinet.

11.1 A Carbon Impact Assessment has been completed and is attached as Appendix 3. Further detail and a full assessment will be carried out as the project is developed and reported back to Cabinet.

12. Implications for Partners

12.1. The Council will continue to work in partnership with Dinnington St Johns Council to engage with local partners and deliver the project.

13. Risks and Mitigation

13.1 The complexities of land ownership are identified as a risk to timescales and deliverability.

13.2 General construction market risks in relation to saturation of the market, availability of contractors and materials and increasing costs are identified.

13.3 As projects develop individual, specific risk registers will be developed and reported to Regeneration Delivery Group.

14. Accountable Officers

Tim O’Connell, Head of RIDO

Simon Moss, Assistant Director, Planning Regeneration & Transport

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	24/07/23
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	21/07/23
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	21/07/23

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