

## **CABINET MEMBER FOR HOUSING AND ENVIRONMENTAL SERVICES**

**Venue: Town Hall, Moorgate  
Street, Rotherham.**

**Date: Monday, 31 January 2005**

**Time: 9.30 a.m.**

### **A G E N D A**

1. To determine if the following matters are to be considered under the categories suggested in accordance with the Local Government Act 1972.
2. To determine any item which the Chairman is of the opinion should be considered as a matter of urgency.
3. Disposal of No. 168 Scholes Lane, Scholes (Pages 1 - 3)  
- to consider the disposal of the property
4. Exclusion of the Press and Public  
Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 7 and 9 of Part I of Schedule 12A to the Local Government Act 1972 (business affairs of a third party/negotiation of terms).
5. Dalton Compulsory Purchase Order - Outcome (Pages 4 - 16)  
- report of Senior Housing Officer, Neighbourhood Services

### **The Chair authorised consideration of the following item to enable Members to be fully informed of the current situation**

6. Progress of the Neighbourhoods Restructure (Pages 17 - 19)  
(Exempt under Paragraph 1 of the Act – information relating to employees of the Council)  
Appendix not available electronically

**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member for Housing &amp; Environmental Services</b>
<b>2.</b>	<b>Date:</b>	<b>31 January 2005</b>
<b>3.</b>	<b>Title:</b>	<b>Disposal of 168 Scholes Lane</b>
<b>4.</b>	<b>Programme Area:</b>	<b>Neighbourhoods</b>

**5. Summary**

The report sets out reasons for the disposal of 168 Scholes Lane.

**6. Recommendations**

**TO DISPOSE OF 168 SCHOLES LANE.**

---

## 7. Proposals and Details

7.1 The Head of Housing Services has delegated powers to authorise disposal of property which is no longer considered to be a viable asset of the council. Where there are exceptional factors to be considered before a decision can be taken, it is appropriate to bring a report to Cabinet Member for consideration.

7.2 168 Scholes Lane is a pre-1914 two-bedroom, end terrace stone cottage, situated in the village of Scholes. It is the sole remaining council rented property in the village. The property was one of 36 transferred into the ownership of Rotherham MBC in 1980, acquired from Wentworth Estates. The property has been managed as a council tenancy by the Neighbourhoods programme area ever since.

7.3 Title to the property is freehold, with only minor covenants attached. It has been adapted throughout to meet the needs of the last occupant, including an extension to provide a bedroom and bathroom, and a ground floor WC. Since becoming council owned, the property has only had one tenant, and the tenancy terminated on 27/07/03, since when it has been void. Current rent is £40.60 per week over 48 weeks; this is not a formula rent as the property is not part of rents restructuring. Council tax for the year is £498.46 (net of 50% discount).

7.4 The property has been surveyed to assess both the cost of bringing the property back to the existing habitable standard, and to current Decent Homes standards. In the former, a survey carried out on 14<sup>th</sup> January 2005 estimated costs at approximately £15k (including contingency of £1.5k), with the bulk of this being required to replace the kitchen units, the bathroom suite, damp remedial work, and an entire new roof. To bring the property up to current Decent Homes standard is estimated to require up to an additional £8k, including new secure by design windows and doors, electrical rewiring and heating. Aspirational standards envisaged under the revised Decent Homes scheme are likely to increase this amount further.

7.5 The programme area has pursued a policy of reviewing all properties that become void, where costs to restore to a habitable standard exceed £5k. The Head of Service through delegated powers has authority to either retain and refurbish or dispose. Such decisions take account of a combination of factors, including substantial cost, projected lifespan, low demand for the type of property and/or the area in which it is situated, and sustainability issues.

7.6 The case of 168 Scholes Lane displays some but not all of these disposal factors. There is clearly a prohibitive cost attached to refurbishment, to whichever standard is decided, and the property type is not ordinarily in high demand in those areas of the borough where voids occur. Ordinarily, the property would not be considered worth retaining for sustainability reasons either. However, because it is situated in an exceptionally popular and high value location – the village of Scholes - the property could be easily let even if restored to only the minimum standard required.

7.7 The property was estimated to be valued by EDS on 14<sup>th</sup> January 2005 at an open market value of £100k in its present condition. If it were to be brought up to current Decent Homes standard, it is valued at £125k.

7.8 In considering the future options for this property, the following issues need to be factored in:

- a 1980 minute resolves that Scholes properties should be sold by auction or tender when they become vacant;
- EDS do not advise that properties in this location be sold to any selected person (by private treaty). Probity procedures require that such a sale be carried out following an independent valuation from the Valuation Office Agency that supports the proposed selling price. Auction or informal tender would secure the best consideration for this type of asset;
- A private treaty sale to an adjoining owner may attract a premium over and above the open market valuation;
- A decision to sell must be referred to the Capital Strategy and Asset Review Team, and resolved by the Property Board;
- The valuation figures are considered valid for a three month period.

7.9 Notwithstanding the high demand for a property in this location, it is recommended to dispose of it due to the high refurbishment costs, and the comparatively high management costs associated with managing a single isolated unit.

## **8. Finance**

Costs to bring the property back into habitable condition are estimated at £15k; a further £8k would be required to bring it up to current Decent Homes standards, a total of £23k. Funding for this work would need to be found from within the Capital Programme.

Annual rents accruing are £1,948.80, and Council Tax as a Band A property is £498.46.

The Council could expect a substantial capital receipt for this property because of its location (see 7.7).

## **9. Risks and Uncertainties**

Given the actual and potential value of this property, there is little risk attaching if the Council chooses to retain the property pending refurbishment, because the value will increase regardless.

## **10. Policy and Performance Agenda Implications**

There are no implications in this report.

## **11. Background Papers and Consultation**

None

**Contact Name : Simon Bunker, Head of Housing Services, Ext 3402,**  
[simon.bunker@rotherham.gov.uk](mailto:simon.bunker@rotherham.gov.uk)

Document is Restricted

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted