

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Commissioner Kenny
2.	Date:	10th July 2015
3.	Title:	Asset Exchange – 113 Eldon Road
4.	Directorate:	Environment and Development Services

5. Summary

- 5.1 The following report seeks approval for a vacant, Housing Revenue Account property at 113 Eldon Road in Eastwood to be exchanged for 32 Warden Street, the last remaining property to acquire on Warden Street in Canklow.
- 5.2 Taking ownership of 32 Warden Street will enable demolition of all remaining empty properties on Warden Street, after which the site will be released to the open market for future housing re-development. It will also enable the last remaining tenant to move to a more sustainable home in a less vulnerable location.

6. Recommendations

- 6.1 That the asset exchange as proposed in the report is approved to facilitate the completion of the acquisition and demolition plans for Warden Street, Canklow.

7. Proposals and Details

- 7.1 A phased acquisition and demolition programme on Castle Avenue, Warden Street and Canklow Road was approved by the Cabinet Member Meeting on 2nd March 2009, minute 163.
- 7.2 Since this time the Council has acquired and demolished approximately 70 unsustainable terraced properties. Following this South Yorkshire Housing Association have developed and built 16 affordable family homes on the cleared land, with the benefit of Home and Communities Agency grant funding. This new housing along with another 100 new homes built in Canklow is helping to deliver the wider neighbourhood masterplan for Canklow. Appendix 1 illustrates the location of clearance and new homes built.
- 7.3 The clearance project on Warden Street has reached a stage where all but 1 property on has been acquired; Demolition of the remaining 20 terraced properties can only take place when the Council has acquired all the properties. The last remaining property to acquire is 32 Warden Street, which is a tenanted private rented terraced house.
- 7.4 Demolition will avoid the risks of a tenant living in an empty row of terraced properties, which are vulnerable to break-ins, vandalism and metal theft. Currently public sector resources are being deployed to contain the safety of the locality and this includes intervention from Neighbourhood Management, Community Safety and the Police.
- 7.5 Once demolition is complete the land will be marketed for residential development.
- 7.6 Negotiations have been ongoing for over 12 months with the property owner of 32 Warden Street and we have finally established that the landlord's only agreeable option is for a property exchange. The tenant has been consulted and has agreed that rehousing by his current landlord would be his preferred option. Appendix 2 illustrates the location of 32 Warden Street.
- 7.7 The Landlord was presented with a choice of two properties owned by the Council and currently vacant in Ferham and Eastwood; a preference was expressed for the property in Eastwood. Houses in both districts are pre-1919 terraced properties and have equivalent merits in terms of space standard to the house in Canklow.
- 7.8 The asset exchange will be on condition that the landlord brings the property in Eastwood to a good lettable standard and rehuses his tenant, leaving the property on Warden Street vacant.
- 7.9 The Estates Surveyors Team have carried out surveys and stated property valuation as follows:

- 113 Eldon Road, Eastwood £45,000 in its current condition
- Warden Street, Canklow £35,000 in its current condition

7.10 The difference in values on the two properties is £10,000. The Landlord signified that a transaction would not conclude if he was required to bridge the £10,000 gap in value between the two assets.

7.11 This leaves the Council with two options either to agree to an asset transfer with no financial compensation to the Council or proceed to Compulsory Purchase Order (CPO).

7.12 A transfer will have the benefit of giving full vacant possession of the remaining terraced house within a short time frame and enable demolition to proceed quickly. A CPO would require up to 18 months to complete and during this time the remaining tenant and the local community would be exposed to the risks of anti-social behaviour and disturbance for longer. It is estimated that the costs associated with CPO would exceed the costs of a property swap; therefore a property exchange is our preferred option.

8. Finance

8.1 The Canklow clearance intervention has been budgeted for in the 2015/16 Capital Programme and there are sufficient resources to enable the asset transfer and demolition to go ahead.

8.2 The cost of a full CPO is estimated to be £25,000 (including legal and management costs) this outweighs the cost of an asset transfer, which is being proposed. The Council should also consider the ongoing management costs of managing the current situation during the CPO period.

9. Risks and Uncertainties

9.1 The Council is dependent upon the landlord to commit to the conditions and not renege on the offer. Until legal agreements are in place, there is a risk that the Landlord could withdraw from the offer. The risk of this happening is low to medium so long as the Council proceed quickly.

9.2 Failure to reach an agreement to transfer would require the Council to repair the Eastwood property and bring it back into use under as an affordable social rented property. The Council would then need to launch a CPO that would conclude with a financial transaction to the value of the property being acquired.

10. Policy and Performance Agenda Implications

10.1 This proposal is making effective use of assets, as well as contributing to the sustainable neighbourhood's agenda by delivering better choice and quality of housing to the local community.

CP3 – Ensuring all areas of Rotherham are safe, clean and well maintained
CP4 - Helping people to improve their health and wellbeing and reducing inequalities within the Borough

The following Housing Strategy commitments:

- Commitment 2: We will increase and improve the supply of affordable rented housing in Rotherham
- Commitment 8: We will engage with communities and individuals so that we have a better understanding of how to meet their needs and aspirations

11. Background Papers and Consultation

- Cabinet Member for Neighbourhoods, on 2nd March 2009, Minute No: 162
- Cabinet Member meeting 14th December 2009, Minute No:102
- Cabinet Member meeting 5th March, 2012, Minute No: 62

Contact Names:

Report Author – Tom Bell email tom.bell@rotherham.gov.uk
Kalpana Desai Tel: 01709 255049 email: Kalpana.desai@rotherham.gov.uk