

Summary Sheet

Council Meeting:

Cabinet and Commissioners' Decision Making Meeting – 10 October 2016

Title:

Proposed sale of the laundry room and two guest bedrooms at Sorrel Sykes Neighbourhood Centre, Whiston

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

No

Strategic Director Approving Submission of the Report

Anne Marie Lubanski, Strategic Director of Adult Care and Housing

Report Author(s)

Sarah Griffiths, Estate Services Officer, Housing and Estate Services
01709 3(255591) or sarah.griffiths@rotherham.gov.uk

Ward(s) Affected

Sitwell

Executive Summary

The leaseholder of 1 Sorrel Sykes Close, Whiston has expressed an interest in purchasing the ground floor laundry room and the two upper floor guest bedrooms that form part of the decommissioned Sorrel Sykes neighbourhood centre, to enable him to add the space into his existing home. The leasehold property he owns consists of a self-contained flat which forms the large part of the first floor of the centre and was the former warden's flat.

The Sorrel Sykes neighbourhood centre was closed in 2015 following Cabinet approval to convert the ground floor of the building to residential dwelling(s).

The guest bedrooms and the laundry room are not required to progress the ground floor residential conversion. A disposal to the applicant would make best use of the redundant space.

Recommendations

That approval be given to the disposal of the redundant laundry room and former guest bedrooms by private treaty to the owner of the upper floor flat of the Sorrel Sykes Close former neighbourhood centre.

List of Appendices Included

Appendix 1 - map of site location

Appendix 2 – current plan of centre

Appendix 3 - conversion plan

Appendix 4 – Valuation – Exempt under paragraph 3 of Part 1 of schedule 12A of the Local Government Act 1972, as this appendix contains information relating to the financial or business affairs of any particular person (including the Council).

Background Papers

Cabinet Report: Review of Neighbourhood Centres Phase 2, Cabinet Meeting, 06/08/2014 Minute No: 29

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

Public Report, exempt appendices.

Exempt under paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as this report contains information relating to the financial or business affairs of any particular person (including the Council) which is a closed item to the public

Proposed sale of the laundry room and two guest bedrooms at Sorrel Sykes neighbourhood centre, Whiston

1. Recommendations

- 1.1 That approval be given to dispose of the redundant laundry room and former guest bedrooms by private treaty to the owner of the upper floor flat of the Sorrel Sykes Close former neighbourhood centre.

2. Background

- 2.1 A full review of neighbourhood centres and laundries took place during 2014 which was initiated following customer requests to opt out of the communal facility charge and the declining use of the centres by residents. In addition, increasing management costs saw the centres operating at an overall deficit creating budgetary pressures. Following thorough consultation with residents, recommendations were put forward for Cabinet approval in August 2014.
- 2.2 Sixteen centres were approved for closure and conversion to residential dwellings. Housing Services are currently coordinating delivery of the conversion works programme. Phase 1 of the programme has been completed and centres in phase 2 have been closed and are scheduled for conversion this financial year. The Sorrel Sykes neighbourhood centre is in Phase 2.
- 2.3 The leaseholder of 1 Sorrel Sykes Close, Whiston has expressed an interest in purchasing the former ground floor laundry room and two first floor guest bedrooms within the centre to extend his property. 1 Sorrel Sykes Close is the former warden flat located on the first floor of the centre. The leaseholder has lived at the property since 1998.

3. Key Issues

- 3.1 The Strategic Housing and Investment Service (SHIS) have confirmed the rooms the leaseholder wishes to purchase are surplus to requirements for the conversion plans of the ground floor of the building as they cannot be incorporated into the design layout.

Reference: Appendix 2 – current site plan and Appendix 3 – conversion plan.

- 3.2 The guest bedrooms are located on the first floor of the building therefore unsuitable for inclusion in design plans for a ground floor flat.
- 3.3 The laundry room is on the ground floor, however due to the layout of the ground floor and the proposed conversion plans, the room could not be included in the design plans for the ground floor flat therefore would be made a sterile area. SHIS have advised there is not a reasonable alternative design to mitigate this issue.

- 3.4 Retention of the redundant laundry and guest bedrooms would not be sustainable. It is considered that the most practical solution is a sale, by way of a long lease, to incorporate into the leasehold property.

4. Options considered and recommended proposal

4.1 Option A) Dispose of both the laundry and the guest bedrooms

All three rooms could be sold by way of a 125 year lease and generate a capital receipt. Maintenance responsibility would be transferred to the leaseholder for these particular rooms with external maintenance remaining with the Council recovered through a capital service charge to the leaseholder.

4.2 Option B) Dispose of the guest bedrooms and retain the laundry in the conversion

The two guest bedrooms could be sold to the leaseholder and the laundry room retained, however this room cannot be included in the ground floor conversion plans and would therefore become a sterile space.

4.3 Option C) Retain both the laundry and the guest bedrooms

The guest bedrooms are on the first floor of the building therefore could not be incorporated into the ground floor property design plans. The laundry room cannot be included in the ground floor conversion plans. Retaining the rooms would leave the Council with redundant space that are of no use or value to the Council. The rooms would need to retain power and lighting. Arrangements would also need to be made with the leaseholder to allow access to all the rooms for required building maintenance checks. Alternatively, the Council would keep ownership of the hall area to allow access; however maintenance of this area would also remain with the Council, which would result in revenue costs for lighting, heating and cleaning and no income to offset these costs.

4.4 Recommendation

Option A is recommended, as the rooms are surplus to service requirements and would potentially generate a capital receipt.

5. Consultation

- 5.1 The area of land is located within Sitwell Ward. Ward members have been contacted in relation to the proposal and all 3 have responded positively to the sale arrangements recommended in this report.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Following Cabinet approval disposal arrangements will be progressed to achieve a sale within this financial year.

7. Financial and Procurement Implications

- 7.1 The centre is administered by Housing Services, with associated revenue costs met from the Housing Revenue Account (HRA).
- 7.2 The estimated value of the laundry room and two guest bedrooms and associated costs of the disposal are contained in Appendix 4 to this report and are Exempt under Paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972, as it contains information relating to the financial or business affairs of any particular person (including the Council) which is a closed item to the public.
- 7.3 If the guest bedrooms and laundry were to be retained their value would be negligible and would present an ongoing financial liability to the Council.
- 7.4 The sale of the laundry and guest bedrooms would not impact on the cost of the ground floor conversion works.
- 7.5 The net capital receipt will be placed in the Housing Revenue Account to be used solely for affordable housing.

8. Legal Implications

- 8.1 The terms of a disposal and the surrender of the existing lease, landlord's works and the grant of a new lease (including the additional floor space) would need to be negotiated and agreed in principle with the leaseholder (purchaser).
- 8.2 The Corporate Property Unit and Legal Services would be instructed to complete the necessary negotiations and documentation.

9. Human Resources Implications

- 9.1 None identified.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 None identified.

11. Equalities and Human Rights Implications

- 11.1 None identified.

12. Implications for Partners and Other Directorates

- 12.1 None identified.

13. Risks and Mitigation

- 13.1 Drafting the agreement for surrender, works and new lease mitigates any risk to the Council by ensuring that both parties are contractually bound to proceed before the Council incurs any costs in carrying out the conversion works to the premises.

14 Accountable Officer(s)

Tom Bell, Interim Assistant Director of Housing and Neighbourhood Services
tom.bell@rotherham.gov.uk

Approvals Obtained from:-

Lynne Balls, Strategic Director of Finance and Corporate Services
lynne.balls@rotherham.gov.uk

Assistant Director of Legal Services:-

Neil Concannon, Service Manager- Litigation and Social Care
neil.concannon@rotherham.gov.uk

Head of Procurement (if appropriate):-

N/A

Contact Name:

Sarah Griffiths, Estate Services Officer, Adult Care and Housing
Telephone: 255591 or e-mail: sarah.griffiths@rotherham.gov.uk