

Council Report

Cabinet and Commissioner's Decision Making Meeting – 12 December 2016

Title

Rationalisation of Property Assets – Asset Transfer Lease of Property at Station Road, Masbrough

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

No

Director Approving Submission of the Report

Damien Wilson Strategic Director, Regeneration & Environment

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Ward(s) Affected

Rotherham West

Executive Summary

The purpose of this report is to seek approval to take the property out of the Capital Receipts Programme and to grant an Asset Transfer Lease to Shiloh.

Recommendations

1. That the approval given by Cabinet on 24 September 2014 to dispose of the property on the open market be rescinded.
2. That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the asset transfer lease as described at Option 2 at paragraph 4.3 below.
3. That the Assistant Director of Legal Services be authorised to complete the necessary legal documentation.

List of Appendices Included

Appendix 1 – Site and Location Plans

Background Papers

Cabinet 24th September 2014 - Rationalisation of the Property Portfolio: Former Records Centre and Weighbridge, Station Road, Masbrough, Rotherham
Commissioner Kenny Decision Making Meeting 8th June 2015 - resolved that Millfold House be disposed of and that a decant plan is put in place in consultation with existing tenants and to support Shiloh with a relocation.

Cabinet Meeting 20 July 2011 - Rationalisation of Property Assets - Adoption of an Asset Transfer Policy – resolved to agree to the adoption of the Asset Transfer Policy.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

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1. Recommendations

- 1.1 That the approval given by Cabinet on 24 September 2014 to dispose of the property on the open market be rescinded.
- 1.2 That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the asset transfer lease as described at Option 2 at paragraph 4.3 below.
- 1.3 That the Assistant Director of Legal Services be authorised to complete the necessary legal documentation.

2. Background

- 2.1 The asset is comprised of the former Records Centre and Weighbridge Depot at Masbrough which is currently vacant and has been declared surplus to operational requirements. It has Cabinet approval to be disposed of on the open market.
- 2.2 In 2014 the Strategic Housing Investment Service obtained approval to decant tenants from Millfold House, Westgate which it originally purchased for redevelopment. This approval included assisting Shiloh in securing alternative premises.
- 2.3 Shiloh was established as a charity 25 years ago initially as a “soup run” and has since developed to provide a comprehensive range of support services for vulnerable adults. It provides a drop-in day centre for homeless and vulnerable people needing support and is the first step to an independent and self-reliant future for many of its service users.
- 2.4 Shiloh offer their guests hot meals, a shower, a change of clothes, laundry, a haircut, social activities, internet access and telephone. With partners, Shiloh also provides benefits advice, health check, housing advice, training courses, and referrals to other support agencies.
- 2.5 The former Records Centre and Weighbridge Depot at Masbrough was identified as a potential site for Shiloh to relocate to and following consultation and completion of a feasibility study, the asset has been found to be suitable for Shiloh’s relocation.
- 2.6 As Shiloh are a qualifying group in respect of the Asset Transfer Policy, the asset is proposed to be offered under the Council’s adopted asset transfer policy, which grants leases at a nominal £1 per annum for a period appropriate to the asset and to any funding requirements the lessee may have. Such leases are on a full repairing and insuring terms.

3. Key Issues

- 3.1. If approved, the estimated capital receipt that would have been generated from the disposal of the site on the open market will be foregone.
- 3.2. Shiloh provides a range of services to vulnerable and homeless adults that contribute significantly to the prevention and early intervention agenda, thus saving more acute social and health care interventions downstream.
- 3.3. The release of Millfold House, Westgate would enable the Council to meet its plans for a more attractive housing offer for the Town Centre through redevelopment of the site, which has been identified as a potential site for the Homes and Communities Agency's Starter Homes Scheme.
- 3.4. Under the Council's adopted Asset Transfer Policy, any asset that has been previously identified and included within the Capital Receipts Programme is excluded from an asset transfer. Divergence from the policy such as this requires Cabinet/Commissioner approval.
- 3.5. Shiloh are currently carrying out redecoration works to the property under a licence whilst the formal transfer of the property is considered.

4. Options Considered And The Recommended Proposal

- 4.1. The options available to the Council in respect of this report are listed below: -
- 4.2. **Option 1** – Do not grant an asset transfer lease to Shiloh and offer the asset to the open market in order to realise a capital receipt as detailed at paragraph 7.2
- 4.3. **Option 2** – No longer seek to sell the asset on the open market and put in place an asset transfer lease, under the principles of the adopted Asset Transfer Policy on terms to be agreed, so that they can be used by Shiloh to provide support facilities for vulnerable adults in the Borough.
- 4.4. It is recommended that Option 2 is pursued rather than an open market disposal (option 1) in order that Shiloh can be relocated from Millfold House to the former Records Centre, once the building is redeveloped. This would then allow Shiloh to continue to deliver its services to support vulnerable and homeless adults as detailed in section 3.2 of this report.

5. Consultation

- 5.1 Directors of Service, Ward Members and the Area Partnership Manager were consulted in March 2016.
- 5.2 Public Consultation took place on Monday 4th April 2016 at Liberty Church, Station Road. Members of the public were invited to attend to view plans, receive a presentation and raise any questions or concerns.

6. Timetable and Accountability for Implementing this Decision

- 6.1 Once the report options have been considered, and if the recommended course of action is approved, then the Estates Team will seek to agree Heads of Terms with Shiloh for the proposed Asset Transfer Lease within 4-weeks and then instruct the Council's Legal Services to complete the necessary documentation as soon as is practicably possible.

7. Financial and Procurement Implications

- 7.1 Shiloh is to pay the Council's legal and surveyor fees in dealing with the Asset Transfer Lease which have been estimated to be £1,500. Shiloh will be expected to pay the costs of project management and oversee the redevelopment of the building to meet their operational needs.
- 7.2 The Estates Team have confirmed that the asset has a potential market value of £130,000.

8. Legal Implications

- 8.1. The Assistant Director of Legal Services will be required to complete the formal documentation for the asset transfer lease.

9. Human Resources Implications

- 9.1. None.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1. The delivery of this project will further enhance the Council's efforts to support and assist vulnerable adults within the community by providing a centre for social, educational, health & housing advice and for other support services to operate.

11. Equalities and Human Rights Implications

- 11.1. None.

12. Implications for Partners and Other Directorates

- 12.1. The delivery of this project will help prevent and ultimately reduce the need for further intervention by the Council and other associated partners for vulnerable adults.

13. Risks and Mitigation

- 13.1. There is the risk that if Shiloh does not enter into the asset transfer lease arrangement then the Council will be left with a building for which it will be responsible for its ongoing revenue costs. This can be mitigated by disposing the building on the open market if this occurs.

14. Accountable Officer(s)

Paul Woodcock – Assistant Director Planning, Regeneration and Transport.

Approvals Obtained from:-

Strategic Director of Finance and Customer Services:- Stuart Booth

Assistant Director of Legal Services:- Stuart Fletcher

Head of Procurement (if appropriate):- N/A

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