

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet and Commissioners' Decision Making Meeting – 17 September 2018

Report Title

Wath District Office, Church Street, Wath

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

This is not a Key Decision but it has been put on the Forward Plan.

Strategic Director Approving Submission of the Report

Damien Wilson, Strategic Director of Regeneration and Environment

Report Author

Rory Hague – Estates Surveyor
01709 254067 or rory.hague@rotherham.gov.uk

Ward(s) Affected

Wath

Executive Summary

The purpose of this report is to seek approval to the disposal of the former Wath District Office, Church Street, Wath.

Recommendations

1. That Cabinet approve the disposal of Wath District Office as shown edged in red at Appendix 1, as detailed within Option 1 of this report (should the disposal not complete within the six-month statutory moratorium period then it is recommended that Option 2 is pursued instead).
2. That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate and agree the terms and conditions of the proposed disposal in consultation with the Cabinet Member for Jobs and the Local Economy, with the Assistant Director of Legal Services negotiating and completing the necessary legal documentation.

List of Appendices Included

Appendix 1 Site and Retained Rights Plan

Appendix 2 Proposed Restrictive Covenants Plan

Appendix 3 Exempt Financial Addendum

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

While the main report is an open item, exemption for Appendix 3 is requested 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, as it contains sensitive commercial information with regards to the Council's contracts.

Wath District Office, Church Street, Wath

1. Recommendations

- 1.1 That Cabinet approve the disposal of Wath District Office as shown edged in red at Appendix 1, as detailed within Option 1 of this report (should the disposal not complete within the six-month statutory moratorium period then it is recommended that Option 2 is pursued instead).
- 1.2 That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate and agree the terms and conditions of the proposed disposal in consultation with the Cabinet Member for Jobs and the Local Economy, with the Assistant Director of Legal Services negotiating and completing the necessary legal documentation.

2. Background

- 2.1 The Council own the former Wath District Office (DO) which comprises of the old Town Hall, a Grade II listed building, and an interconnecting 1960's office extension. The asset also includes surrounding grassed open space and part of a war memorial. The whole asset is identified as edged red on the plan at Appendix 1. The site is approximately 1.8 acres in size with the DO building extending to circa 900 square meters Gross Internal Area. The buildings are generally in a poor state of repair.
- 2.2 The DO was declared surplus and has been vacant since mid-2014. The services previously provided at the site were relocated to the neighbourhood hubs in Rawmarsh and Swinton. Since this time Wath Hall Ltd have been in occupation under a licence.
- 2.3 Wath Hall Ltd was initially given access to enable them to secure funding so that a community asset transfer lease may be granted.
- 2.4 The site is subject to a public right of way that runs around the perimeter of the site as shown coloured yellow on the plan at Appendix 1, with a vehicular right of way (as shown coloured blue on the plan at Appendix 1) in favour of the All Saints' Church. The areas of green space, as shown coloured green on the plan at Appendix 2, are used by the local community several times throughout the year. Because of the continued community use of these areas it is proposed that, should the site be disposed of, a restrictive covenant will be put in place restricting any future development and any new owner from preventing access for community purposes.

3. Key Issues

- 3.1 The property was informally marketed for Expressions of Interest from 12th March 2018 with a deadline for interest to be received by 11th May 2018. This property was advertised through traditional marketing channels for all disposal options to establish the best future use of the property. There were five proposals received through this soft marketing process to gauge the level of interest in the property. These bids were then considered by the Asset Management Board who recommended Wath Hall Ltd's bid for resolution by Cabinet. The details of these bids are in Appendix 3
- 3.2 Wath DO was registered as an Asset of Community Value in November 2016. The nomination expires on the 11th November 2021. Therefore, the procedures set out in Part 5, Chapter 3 of the Localism Act 2011 apply and will be followed despite the proposal to dispose of the property to Wath Hall Ltd. This nomination gives community interest groups a right to bid on the property. Therefore, from the date that the decision to dispose of the property is made, a 6 month moratorium period will apply. The first part of this moratorium is a 6 week interim period. During this 6 week period, community interest groups can make a written request to be treated as a potential bidder.
- 3.3 If none do so, then the asset can be disposed of at the end of the 6 weeks. If a request is made, the remainder of the 6 months will operate. During this time, the Council are free to market the property and negotiate a disposal but may not exchange contracts.
- 3.4 Once the 6 month period expires, the Council will be free to dispose of the property as they see fit (subject to the normal Council disposal procedures). Under the Assets of Community Value Regulations 2012, the property may be disposed of to a community interest group during the moratorium period.
- 3.5 Should any parties come forward to register their interest, their proposals will be considered at the time of receipt and they will be registered as bidders in accordance with the regulations. All proposals will be considered by the Council.
- 3.6 If the disposal to Wath Hall Ltd is verified at less than best value; then the Council can dispose of property at less than best consideration (difference between fair value and consideration) that can reasonably be obtained so long as it does not exceed £2m. If the Council considers that it will help to secure the promotion or improvement of the economic, social or environmental wellbeing of its area.

- 3.7 The Council considers that the proposed future community use along with the proviso for the grounds to be available for the continued holding of public events will promote and improve the social and environmental wellbeing of the area. This proposal is in line with the Council Plan as it complies with one of the four key priorities – A strong community in a clean safe environment. This proposal helps to build a stronger community and secures the future of this building as a community hub. It promotes partnership working with local community groups by transferring this asset to Wath Hall Ltd and promotes health and wellbeing as it provides for the community greenspaces to encourage safe and healthy pursuits.

4. Options considered and recommended proposal

- 4.1 Option 1 – That Cabinet resolves to dispose of Wath District Office (as shown edged in red at Appendix 1) in accordance with the statutory procedures for disposal of Assets of Community Value and to delegate to the Assistant Director for Planning, Regeneration and Transport, in consultation with the Cabinet Member for Jobs and the Local Economy, the authority to conclude the disposal of the land, subject to independent valuation, and to do so at less than the best consideration that can reasonably be obtained if the requirements of the General Disposal Consent (England) 2003 are met and completion takes place during the statutory 6 month moratorium period. This is the recommended option because it would allow the District Office to be used for the benefit of the local community by a community interest group. Wath Hall Ltd are such a group but other community interest groups would have the opportunity to bid during the statutory moratorium period. If no bids from community interest groups result in completion being achieved during the statutory moratorium period the District Office would be disposed of at market value.
- 4.2 Option 2 – That Cabinet resolves to dispose of Wath District Office (as shown edged in red at Appendix 1) in accordance with the statutory procedures for disposal of Assets of Community Value at market value and to delegate to the Assistant Director for Planning, Regeneration and Transport, in consultation with the Cabinet Member for Jobs and the Local Economy, the authority to conclude the disposal of the land, subject to independent valuation. This is not the recommended option because while it might produce a greater capital receipt if the District Office were sold at market value it would not enable the premises to be used for the benefit of the local community unless a community interest group were the highest bidder.

5. Consultation

- 5.1 Ward Members have been consulted on the proposal and are supportive of the recommendation.
- 5.2 The surrounding greenspace is classified as Public Open Space and therefore when the heads of terms are agreed and legal is instructed, the future disposal will be advertised under Section 123 of the Local Government Act 1972 to

identify if there is any public support or objection to the proposal for the Council to fully consider before proceeding with the sale.

6. Timetable and Accountability for Implementing this Decision

- 6.1 The purchaser will be given six months to secure the necessary funding and complete the purchase.
- 6.2 Once the options have been considered and a course of action agreed, Asset Management will conclude the negotiations.
- 6.3 Dependent on the outcomes of the negotiations and funding applications by the purchaser, the capital receipt is targeted in the financial year 2019 - 2020.

7. Finance and Procurement Implications

- 7.1 The anticipated capital receipt from the proposed disposal of this asset is contained within the exempt financial addendum at Appendix 3.
- 7.2 This will assist in the Council achieving a minimum £2m of capital receipts required as part of the Council's approved Budget for 2018/19.
- 7.3 It is anticipated that the cost of obtaining an independent valuation, for a private treaty disposal, will be in the region of £2k plus VAT. The valuation is for the Council's internal purposes only but the cost is usually met by the purchaser.
- 7.4 It is anticipated that the Council's legal and professional fees in dealing with the disposal will be met by the purchaser. These will amount to circa £3k (plus VAT, if required) plus the cost of any associated Council expense that the Council's legal team incur whilst acting on its behalf.
- 7.5 There are no general holding costs associated with this asset, with the exception of occasional repairs, the costs of which are managed within approved Asset Management revenue budgets, as all premises running costs are met by the current occupier. Thus there are no anticipated revenue savings.
- 7.6 There are no procurement implications with regards to this report for the sale of the property.

8. Legal Implications

- 8.1 As above, Wath District Office is on the Council's Register of Assets of Community Value. The Localism Act 2011 and the Assets of Community Value (England) Regulations 2012 set out the procedures for the disposal of Assets of Community Value.

- 8.2 Once any decision to make a relevant disposal of the premises has been made the Register must be updated to show the intention to dispose and to give the interim and full moratorium end dates, and the end date of the protected period. In addition Wath Hall Limited, as the organisation which nominated the premises as an Asset of Community Value must be informed. All these matters must be publicised in the neighbourhood of the premises/asset in question.
- 8.3 During the 6 weeks interim moratorium period a community interest group may request in writing to be treated as a potential bidder for the premises; this will bring the full 6 month moratorium period into force, during which the Council would not be able to dispose of the premises unless it was to a community interest group. It is also possible to sell the premises to a community interest group during the interim moratorium period.
- 8.4 If there is no community interest during the interim moratorium period, or at the expiry of the full moratorium period, the Council would be free to sell to any purchaser and no further moratorium would apply for the remainder of the 18 month protected period.

9. Human Resource Implications

- 9.1 There are no HR implications arising from this report.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 None.

11. Equalities and Human Rights Implications

- 11.1 None considered.

12. Implications for Partners and Other Directorates

- 12.1 None considered.

13. Risks and Mitigation

- 13.1 The Council's legal and surveying fees will be requested upfront prior to the completion of negotiations to protect the Council's position, in the event that the community group withdraws or cannot obtain funding to complete the disposal.

14. Accountable Officer(s)

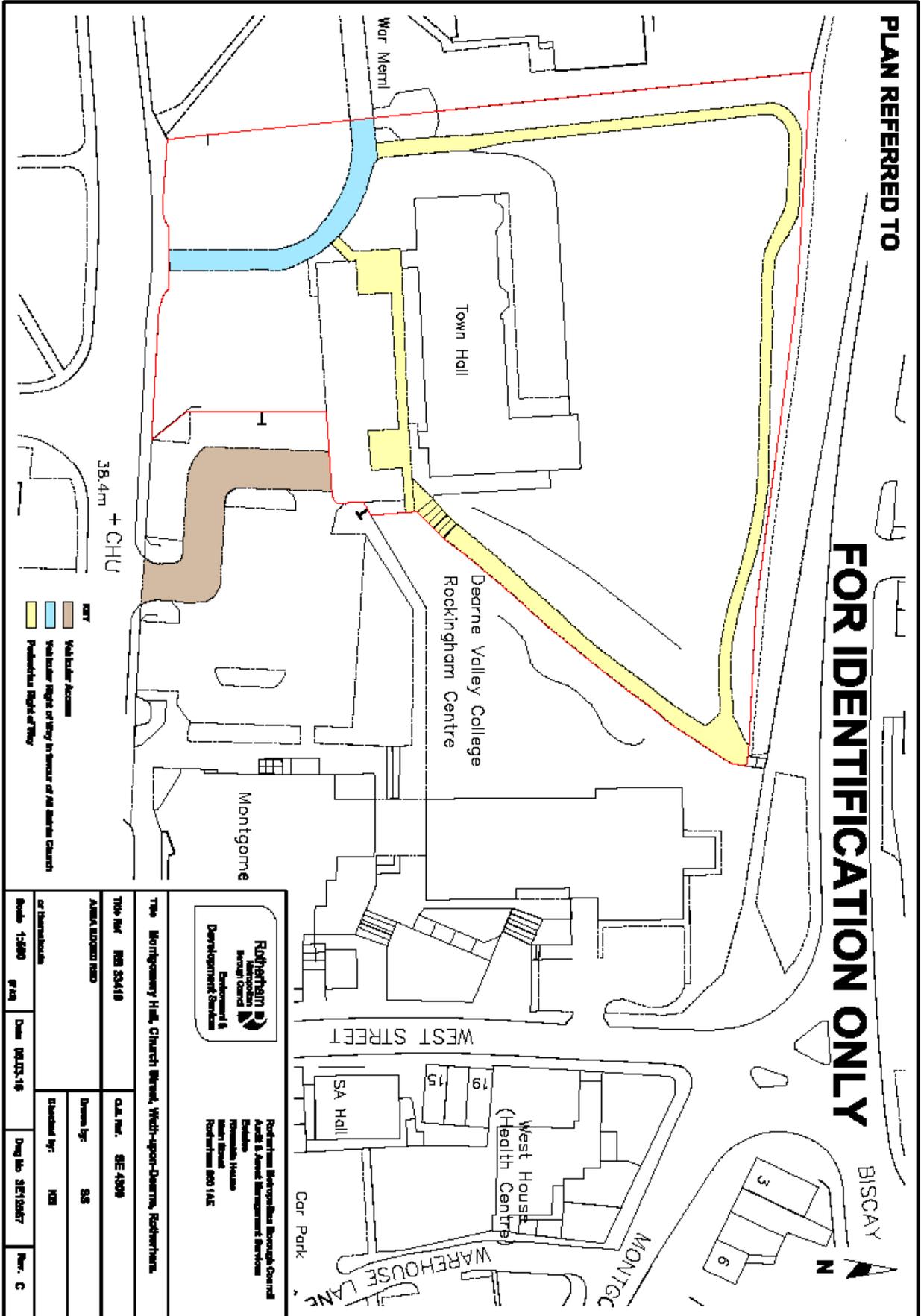
Damien Wilson, Strategic Director of Regeneration and Environment
Paul Smith, Head of Asset Management
Rory Hague, Estates Surveyor, Asset Management

Approvals obtained on behalf of:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Julie Copley	13.07.2018
Assistant Director of Legal Services	Ian Gledhill	13.07.2018
Head of Procurement (if appropriate)	N/A	
Assistant Director of Human Resources and Organisational Development (if appropriate)	N/A	

This report is published on the Council's website or can be found at <http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories>

Appendix 1 – Site and Retained Rights Plan



Appendix 2 – Proposed Restrictive Covenants Plan

