

Summary Sheet

Name of Committee and Date of Committee Meeting

Cabinet – 21 January 2019

Report Title

Disposal of Surplus Properties

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

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Acting Strategic Director, Regeneration and Environment

Report Author

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Wards Affected

Boston Castle
Keppel
Rotherham East
Rotherham West
Swinton

Executive Summary

The purpose of this report is to seek approval to dispose of the Council's freehold interest of a number of surplus properties:-

- a) 2 Goodwin Crescent, Swinton
- b) 36 Nelson Street, Boston Castle
- c) Netherfield Court, Eldon Road, Eastwood
- d) 20 Percy Street, Boston Castle
- e) 21 Scholes Lane, Scholes Village
- f) 92 Creswick Road, East Herringthorpe
- g) 17 West Close, Kimberworth Park
- h) 60 Studmoor Road, Kimberworth

Recommendations

1. That approval be given to the proposed disposal of the Council's freehold interest in the following properties:-
 - (a) Goodwin Crescent, Swinton
 - (b) 36 Nelson Street, Boston Castle
 - (c) Netherfield Court, Eldon Road, Eastwood
 - (d) 20 Percy Street, Boston Castle
 - (e) 21 Scholes Lane, Scholes Village
 - (f) 92 Creswick Road, East Herringthorpe
 - (g) 17 West Close, Kimberworth Park
 - (h) 60 Studmoor Road, Kimberworth
2. That the Assistant Director Planning, Regeneration and Transport be authorised to agree and implement the method of disposal of each asset.
3. That the Assistant Director of Legal Services be authorised to negotiate and complete the necessary legal agreements.

List of Appendices Included

- Appendix 1 Schedule of surplus properties and description.
Appendix 2 Property Location Plans.
Appendix 3 Exempt Financial Addendum.

Background Papers

None

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

An exemption is sought for Appendix (3) 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 1972 is requested, as this report Contains sensitive commercial information and the potential disposal of land and negotiation strategy.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information, as the Councils commercial interests could be prejudiced by disclosure of this commercial information.

Disposal of Surplus Properties

1. Background

- 1.1 The subject properties have all been declared surplus to the operational requirements of the service directorates. Some have been held in the Land and Property Bank for a number of years whilst services and external public sector bodies have investigated various potential uses.
- 1.2 The overall condition of the properties is deteriorating and many are suffering from continued acts of vandalism and anti-social behaviour.
- 1.3 A number of service directorates and public sector partners have shown interest in utilising individual properties in the past, however none of the proposals have come to fruition and the Council has continued to be liable for the significant holding costs.

2. Key Issues

- 2.1 The Council regularly reviews its property portfolio to ensure a fit for purpose estate, reduce unnecessary holding costs and generate, where appropriate, capital receipts.
- 2.2 Service directorates have had the opportunity to review their service delivery requirements to ascertain if any of the subject properties are suitable for their needs. To date no viable business cases have been submitted for the retention of any of the subject assets and disposal is considered to be the most appropriate option.

3. Options considered and recommended proposal

- 3.1 It is recommended that each of the subject assets are now individually offered for disposal with legal completion targeted as soon as possible.
- 3.2 The option to consider Percy Street as a community asset transfer has been taken into account, however as the property has a potential value via capital receipt this suggested option is not recommended. The Community Asset Transfer Policy states that assets on the capital receipts programme or held for income purposes should not be considered for a community asset transfer.
- 3.3 Future use has been considered but there has been no alternative use identified. The on-going costs place significant pressure on budgets. .

4. Consultation

- 4.1 All Ward Members have been consulted on the proposals in relation to each of the individual assets and no objections have been received. The details for each property are contained in Appendix 1.

- 4.2 Representation has been received for the Percy Street asset for consideration for a community asset transfer however as stated at 3.2 The Community Asset Transfer Policy states that assets on the capital receipts programme or held for income purposes should not be considered for a community asset transfer.
- 4.3 Comments were received on the Goodwin Crescent asset, to suggest that the property could be used as a larger family home. This will be a consideration for any potential purchaser.
- 4.4 The proposals for the disposal of these surplus properties have also been submitted to the Asset Management Board who agreed that this is the most appropriate way forward. Available disposal options include auction, Private Treaty or informal tender.
- 4.5 Internal service areas have been contacted regarding the future of the assets listed; further internal consultation with Directorates has also taken place via Asset Management Board meetings.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Should the proposed disposal option be approved then Asset Management shall request approval from the Assistant Director Planning, Regeneration and Transport on the disposal method for each site.
- 5.2 Once approved Asset Management shall instruct Legal services to prepare the necessary documentation in readiness for disposal.
- 5.3 It is expected that the disposal of some assets could be achieved as an open auction sale in early 2019. If successful then legal completion could take place before the end of the 2018/19 financial year.

6. Finance and Procurement Implications

- 6.1 Any successful auction sale of the surplus properties will support the delivery of the Council's 2018/19 revenue budget through the Council's approved Flexible use of Capital Receipts Strategy. The estimated capital receipts from the auction sales are identified in the exempt Appendix 3.
- 6.2 The disposal of these surplus properties will also reduce the revenue pressure arising from the holding costs identified in Appendix 3, for which there is no revenue budget.

7. Legal Implications

- 7.1 There are no direct legal implications arising from the recommendations within this report.

8. Human Resource Implications

- 8.1 No implications arising out of this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 No implications arising out of this report.

10. Equalities and Human Rights Implications

10.1 No implications arising out of this report.

11. Implications for Partners and Other Directorates

11.1 Directorates have been consulted on the properties listed as detailed in paragraph 5.4.

12. Risks and Mitigation

12.1 Should the Council continue to retain these assets without any clear plans for their retention for a suitable alternative use, there will continue to be a significant financial burden on current resources. The potential capital value could also be reduced should the condition deteriorate or the buildings be subject to acts of vandalism or arson.

12.2 There is a risk that a successful disposal sale might not be achieved in the 2018/19 financial year. However on any assets that are offered at auction, Asset Management (together with the appointed auctioneer) would look to set realistic reserve and guide prices as part of the auction process to help mitigate this risk.

12.3 Should any of the surplus properties not achieve a successful disposal in 2018/19 then Asset Management would look at any other options in the short term that reduce the Council's holding costs, with a view to achieving a disposal at some point in the future.

12.4 The disposal method would be subject to the approval of the Assistant Director Planning, Regeneration and Transport.

13. Accountable Officer(s)

Paul Woodcock, Acting Strategic of Director Regeneration and Environment
Bronwen Knight, Acting Assistant Director of Planning, Regeneration & Transport.
Paul Smith, Head of Asset Management
Lindsay Johnson, Strategic Property Manager
Jane Pearson, Strategic Asset Officer

Approvals obtained on behalf of:-

| | Named Officer | Date |
|--|----------------------|-------------|
| Chief Executive | Sharon Kemp | 07/01/19 |
| Strategic Director of Finance & Customer Services (S.151 Officer) | Judith Badger | 02/01/19 |
| Assistant Director of Legal Services (Monitoring Officer) | Stuart Fletcher | 21/12/18 |
| Assistant Director of Human Resources (if appropriate) | N/A | N/A |
| Head of Procurement (if appropriate) | N/A | N/A |

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