

Committee Name and Date of Committee Meeting

Cabinet – 15 June 2020

Report Title

Disposal of Surplus Property Asset – Former Caretaker's Property (Thorpe Hesley Primary School), 790 Upper Wortley Road, Thorpe Hesley, Rotherham

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

Yes

Strategic Director Approving Submission of the Report

Paul Woodcock, Strategic Director of Regeneration and Environment

Report Author(s)

Lindsay Johnson, Strategic Asset Manager
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Ward(s) Affected

Keppel

Report Summary

The purpose of this report is to seek approval to dispose of the Council's freehold interest in the Former Caretaker's Property (Thorpe Hesley Primary School), 790 Upper Wortley Road, Thorpe Hesley, Rotherham

Recommendations

1. That approval be given to the disposal of the Council's freehold interest in the Former Caretaker's Property (Thorpe Hesley Primary School), 790 Upper Wortley Road, Thorpe Hesley, Rotherham
2. That approval be given to the Assistant Director (Planning, Regeneration and Transport) to the disposal of the assets by implementing the most appropriate method of disposal to help expedite the process, whilst ensuring that best consideration is achieved under Section 123 – Local Government Act 1972.
3. That the Assistant Director of Legal Services be instructed to negotiate and complete the necessary legal documentation once terms for the disposal have been agreed.

List of Appendices Included

Appendix 1 Initial Equalities Screening Form

Appendix 2 Property Location Plans

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

Yes – partially exempt

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 that could impact on the negotiation strategy and disposal values.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because the Council's commercial interest could be prejudice by the disclosure of this commercial information.

Disposal of Surplus Property Asset – Former Caretaker’s Property (Thorpe Hesley Primary School), 790 Upper Wortley Road, Thorpe Hesley, Rotherham

1. Background

- 1.1 The property became vacant in March 2019 following the retirement of the previous school caretaker. Subsequent conversations have taken place with the new caretaker regarding his potential option to reside in the property, but he has indicated his desire to remain in his existing home and not relocate. If the existing caretaker leaves the position, CYPS have advised that the post will be advertised without residential accommodation included.
- 1.2 However, from the 1 July Thorpe Hesley Primary School will become an Academy and the Academy Trust have advised that they have no plans for the property. If the property was part of the transfer to the Trust, they would benefit from any future sale.
- 1.3 CYPS has no obligation to provide a house to the caretaker and neither would the Trust. The Trust would appoint the caretaker under their terms and conditions.
- 1.4 The property was subsequently declared surplus to the operational requirements of CYPS in November 2019.
- 1.5 A copy of the location plan can also be seen in Appendix 2 of this report identifying the property in bold edging.

2. Key Issues

- 2.1 The property was declared surplus to the operational requirements of CYPS in November 2019. Consultations have since taken place with all relevant Service Areas through the Asset Management Board and no other alternative operational use has been identified.
- 2.2 The property is currently vacant and poses a risk to the Council in terms of ongoing security and holding costs.
- 2.3 The Council regularly reviews its property portfolio to ensure it has a fit for purpose estate, reduce unnecessary holding costs and where appropriate generate capital receipts.

3. Options considered and recommended proposal

- 3.1 Option 1: The asset is retained by the Council.
In retaining the property when there is no identified alternative operational requirement places the Council at risk in terms of securing and maintaining the property and future holding costs.
This is not the recommended option.
- 3.2 Option 2: Disposal of the surplus asset.
The property is offered for freehold disposal on the open market with a view to legal completion at the earliest opportunity.

This is the recommended option.

4. Consultation on proposal

- 4.1 All local ward members have been consulted on the proposal to dispose of this property and no objections or representations have been received.
- 4.2 The proposal to dispose of this property has been the subject of detailed consultation through Asset Management Board and they are fully supportive of the proposal.

5. Timetable and Accountability for Implementing this Decision

- 5.1 Should the proposal outlined in this report be approved then the Assistant Director (Planning, Regeneration and Transport), in consultation with Asset Management, will decide upon the most appropriate method of disposal to achieve best consideration under Sec.123 LGA 1972.
- 5.2 Should the property be approved for disposal then the Assistant Director (Planning, Regeneration and Transport), as advised by Asset Management, will instruct the Assistant Director (Legal Services) to prepare all the necessary transfer documentation once terms for disposal have been agreed.
- 5.3 Estates have advised that given the nature of the property the disposal would be best achieved via informal tender or auction sale.
- 5.4 There would be timescales implications for both methods. In the current climate it is anticipated that the tender process could take anything up to 12-months to achieve a sale.
- 5.5 Whereas disposal by auction could be slightly quicker with completion anticipated within 6-months.
- 5.6 However, timescales for both methods are somewhat uncertain due to the current Covid-19 implications. The Ministry of Housing, Communities and Local Government have issued recent guidance (published 26/03/2020) on the potential impact on the residential market. The guidance makes reference to property viewings and advises that none must be undertaken.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct procurement implications arising from the recommendations detailed in this report.
- 6.2 The estimated capital receipt from the sale of this property is identified in the exempt Appendix 3. It is unclear at this point what impact Covid-19 will have on the property market.
- 6.3 The Council will no longer incur revenue holding costs on this property once it is disposed of, these are identified in the exempt Appendix 3. There are no revenue budget savings arising from this disposal, as the costs were previously met by the caretaker occupier.

7. Legal Advice and Implications

- 7.1 Other than as already identified and detailed in this report there are no direct legal implications arising from the subject matter of this report.

8. Human Resources Advice and Implications

- 8.1 There are no direct HR implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 CYPS have confirmed that the property is surplus to their service requirements.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct implications for equalities or human rights arising from this report.
- 10.2 An Initial Equalities Screening Assessment is attached at Appendix 1.

11. Implications for Ward Priorities

- 11.1 None

12. Implications for Partners

- 12.1 None

13. Risks and Mitigation

- 13.1. Should the asset be retained without an identified Council requirement for doing so, then it would place a significant financial burden on current resources.
- 13.2 The main mitigation against the risk identified in this report is to approve the proposed disposal of the surplus asset.

14. Accountable Officers

Simon Moss, Assistant Director - Planning Regeneration & Transport
Lindsay Johnson, Strategic Asset Manager – Asset Management

Approvals obtained on behalf of Statutory Officers: -

	Named Officer	Date
Chief Executive	Sharon Kemp	01/06/20
Strategic Director of Finance & Customer Services (S.151 Officer)	Judith Badger	27/05/20
Head of Legal Services (Monitoring Officer)	Bal Nahal	27/05/20

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